

Sustainability report 2025

TEKNOPOWER.

Content



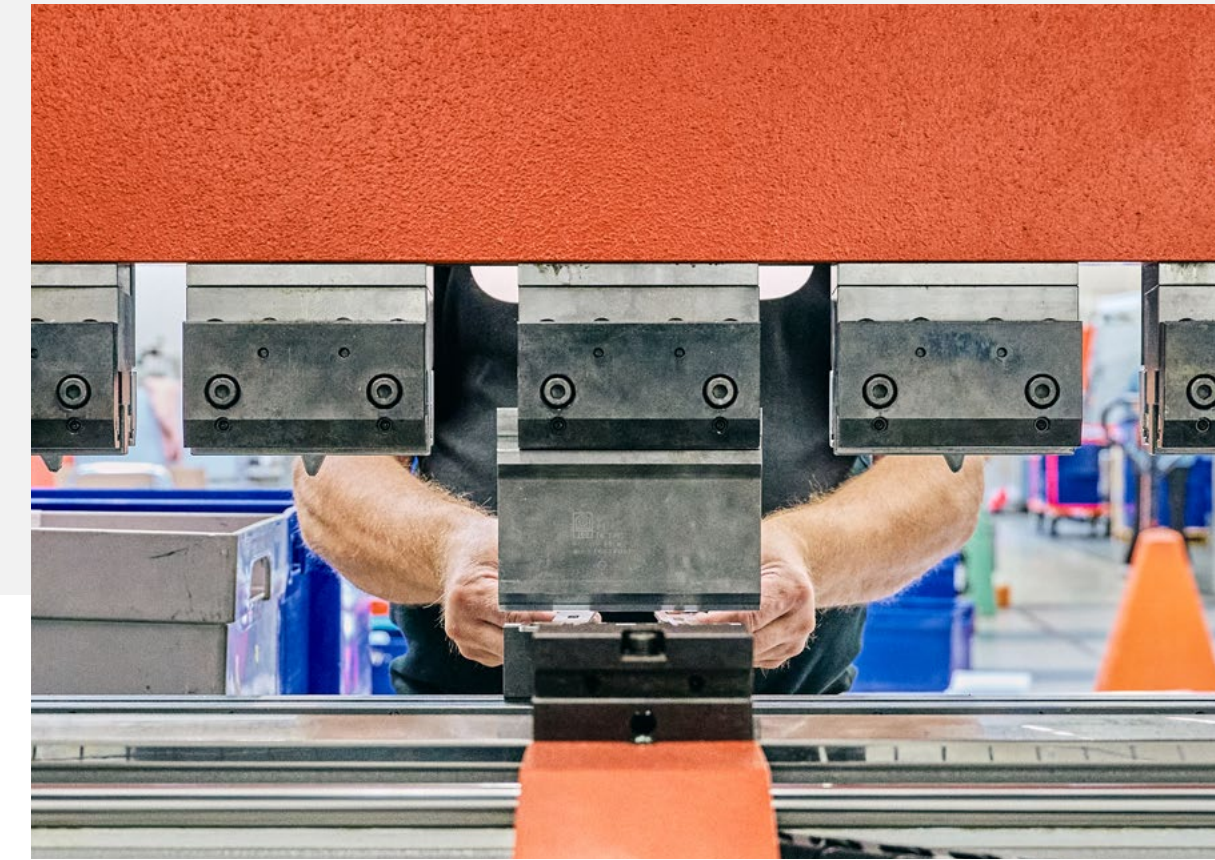
Powering impact

Who we are, our companies, history and strategy



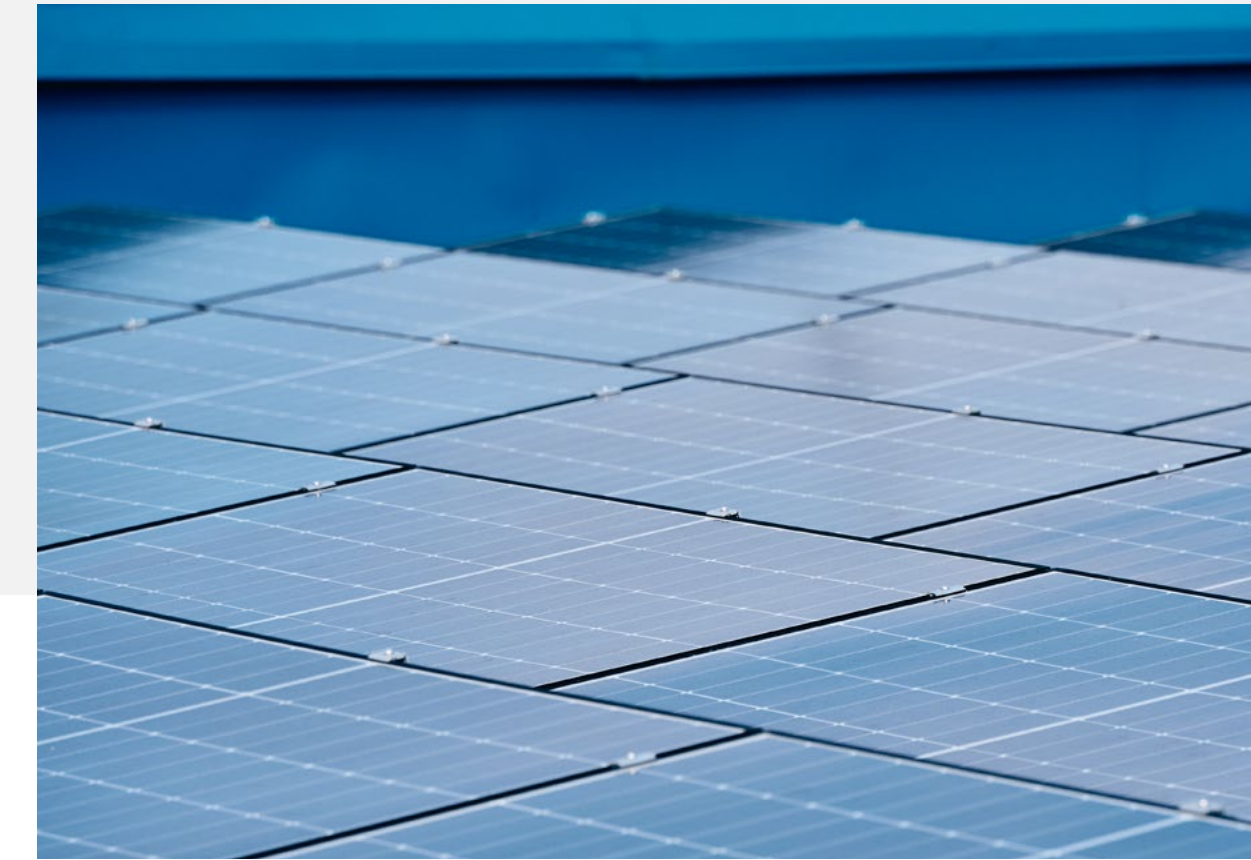
Powering trust

Active ownership, ethics, internal assurance and group-wide policies



Powering capability

Safety, wellbeing and development of our people



Powering responsibility

Energy, emissions and the environmental impact of our operations

VSME content index

Building for the next generation

The year 2025 marked the beginning of an important new chapter for Teknopower. I became the first CEO from the third generation of our family, while the annual general meeting appointed **Lennart Simonsen** as the first Chair of the Board from outside the family. We also appointed our first Group Head of Sustainability **Katariina Koikkalainen**, strengthening our ability to integrate sustainability into our decision-making.

Stepping into the CEO role is both a privilege and a responsibility. Each generation has to find its own way of developing what it has inherited. For our generation, that means combining the patience, commitment and values of family ownership with more systematic ways of managing our portfolio and supporting our companies.

That thinking has guided the new strategy we developed in 2025–2026, which can be summarised in a simple ambition: to be the best long-term home and partner for our companies to succeed. But being a long-term owner does not mean being a passive one. We create value through active board involvement, clear ownership strategies and strategic support from the group, while operational responsibility and management remain firmly within each company.

Developing a more systematic approach and processes does not mean becoming less of a family business. Stronger structures help ensure that the principles behind our family ownership can endure across generations. Trust, purpose, a forward-looking mindset and responsibility remain at the heart of how we operate. We have also established a Family Council and an annual ownership strategy process to support responsible and active ownership by future generations.

Sustainability is a natural part of this long-term perspective. Even during the time of my grandfather, Teknopower's founder **Rauno Mattila**, we believed in safe operations, high-quality products, taking care of employees and being a proud taxpayer. Today, we are building on that legacy through stronger governance, ESG considerations in investment decisions and common sustainability principles across the Group. This first sustainability report helps us understand both where we stand and where we need to improve.

Ultimately, our strategy comes back to the long-term perspective on which Teknopower was built: developing strong industrial companies, helping them grow and creating lasting value. We want to make decisions today that will still make sense many years from now.

Samuli Kotro, CEO



A long-term partner for industrial companies

Teknopower Group (Teknopower) is a Finnish family-owned industrial group that owns and develops established companies. We are a long-term, active owner, supporting our companies in their growth and development without predetermined exit timelines.

We aim to be the best home for our companies by giving them the support and resources they need to grow. Our current portfolio consists of Teknoware Group and FLS Group. Together, our companies operate globally and serve customers across a wide range of markets.

We provide our companies with active and committed ownership and governance, group company development, and centralised group services. We also participate in the boards of our subsidiaries and support them in areas including strategy, business development, financing and corporate transactions. Day-to-day operational and management responsibility remains with each company.

Powering impact



Balance sheet

€66m

Turnover

€84m

Headcount

488

Our portfolio



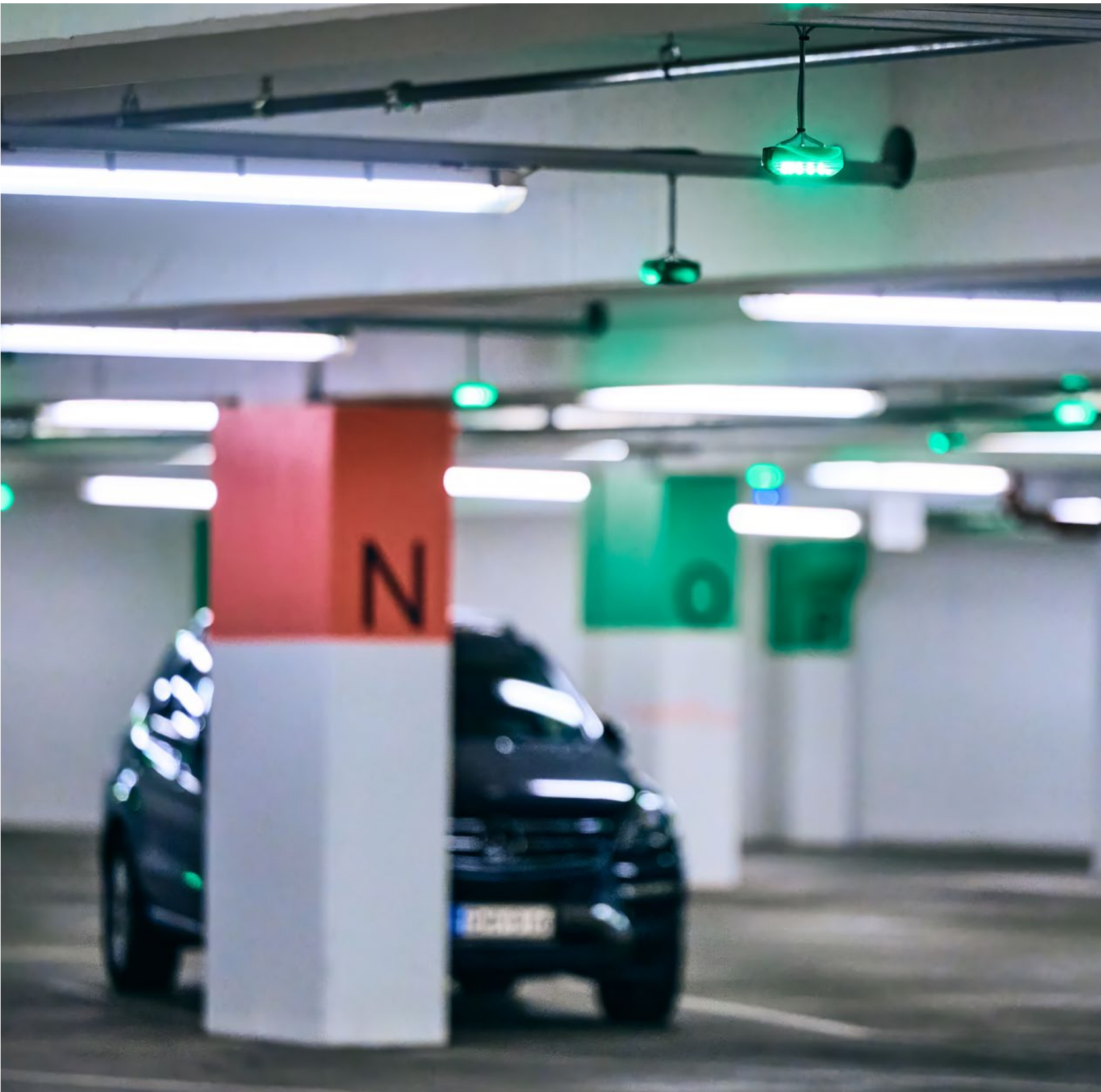
Teknoware Emergency Lighting

develops and manufactures emergency lighting systems for public buildings and infrastructure where long-term reliability is essential.



Teknoware Rail & Road

designs, develops and manufactures lighting and interior solutions for public transportation vehicles worldwide.



FLS Group

offers LED price display systems and Portier parking guidance solutions tailored to the needs of various industries and businesses.



Teknoware Group

Five decades of reliability in the most demanding environments

Founded in Lahti in 1972 and built on a strong engineering heritage, Teknoware Group’s subsidiaries develop and manufacture solutions that make public transport and built environments safer, more comfortable, and more reliable.

Teknoware Group designs and manufactures lighting and interior solutions for trains, buses and trams (Teknoware Rail & Road), and emergency lighting systems for buildings and cruise ships (Teknoware Emergency Lighting).

In 2025, Teknoware Group formed a complete picture of its value chain emissions for the first time. Scope 3 was calculated and a baseline set on 2024 data, and both the 2024 and 2025 inventories were externally verified. Alongside this, the group set a target to raise renewable or fossil-free energy above 80% of total purchased energy by 2030.

What’s next? To turn that picture into commitments. Scope 3 reduction targets will be defined in 2026, and the sustainability programme approved in 2025 enters practice across all group companies. In 2026, Teknoware was reorganised into three companies: the parent company Teknoware Oy, Teknoware Rail&Road Oy, and Teknoware Emergency Lighting Oy.

Headcount

457

Balance sheet

€49m

Turnover

€69m

Operations in

8 countries

Manufacturing in 5 and sales offices in 3



Teknoware Emergency Lighting

Teknoware Emergency Lighting develops and manufactures emergency lighting systems for buildings, ships and tunnels – environments where long-term reliability is essential and standards are strict.

Teknoware Emergency Lighting manages the full lifecycle from design and development to long-term support, in Lahti, Finland. Across Teknoware, environmental data now shapes design decisions. Since 2025, components containing restricted substances have been screened out before approval, and substitution plans are in place for materials already in use. Customers increasingly ask for Environmental Product Declarations, and the range is being documented to establish a baseline.

What’s next? By 2030, Environmental Product Declarations (EPDs) will be available for Teknoware Emergency Lighting’s most significant product categories. Beyond increasing transparency, the lifecycle assessment data behind these declarations will support more informed design decisions and help improve the environmental performance of products throughout their lifecycle.

2030 EPD coverage

– by 2030, Environmental Product Declarations will cover Teknoware Emergency Lighting’s most important product types.



Teknoware Rail & Road

Teknoware Rail & Road designs and manufactures lighting and interior solutions for trains, trams, metros and buses, engineered to perform in demanding, regulated environments worldwide.

Public transport vehicles stay in service for decades. That timespan shapes how Teknoware Rail & Road works. It manages the full lifecycle from design and engineering to long-term support, in its own factories on three continents.

The same perspective defines what counts as progress. Refurbishment projects extend the life of vehicles already in service, reusing luminaire bodies where possible and upgrading only the light sources to LED.

In Helsinki, Finland, every metro train now runs on Teknoware lighting – redesigned to current European requirements, yet compatible with the original wiring.

What's next? Moving the focus from the product to its use. Teknoware Traintelligence® adjusts lighting to conditions such as daylight and monitors each luminaire individually, helping operators cut energy use and resolve faults faster. Lighting is human-centric and context-aware: it follows and aligns to the needs of our natural circadian rhythm, and adapts dynamically to the train's environment.

30–40_{years}

– the service life of a train.
Product development works to that horizon, not to the next quarter.



FLS Group

Every space found is a kilometre not driven

FLS Group develops and manufactures LED price displays for fuel retailers and parking guidance systems, under the Portier brand, for parking operations and property owners, exported to more than 30 countries.

Drivers waste time and fuel looking for a free space or a competitive price. FLS Finland builds systems that shorten the search, sending drivers straight to an empty bay. Less circling means fewer emissions, less congestion and safer parking areas.

The systems are built to last around fifteen years, and renewal reuses what is already in place. When the Kaari shopping centre in Helsinki, Finland upgraded its guidance system in 2025, the existing mounting rails were kept, cutting the need for new aluminium. Some 1,000 returned sensors were separated into metal, plastic and circuit board for recycling.

2025 was the first year FLS Group reported sustainability data, collected in line with Teknopower’s shared metrics. The aim is to turn the trends into concrete targets, starting with material choices, packaging and recycling.

Headcount

<50

Turnover

<€20m

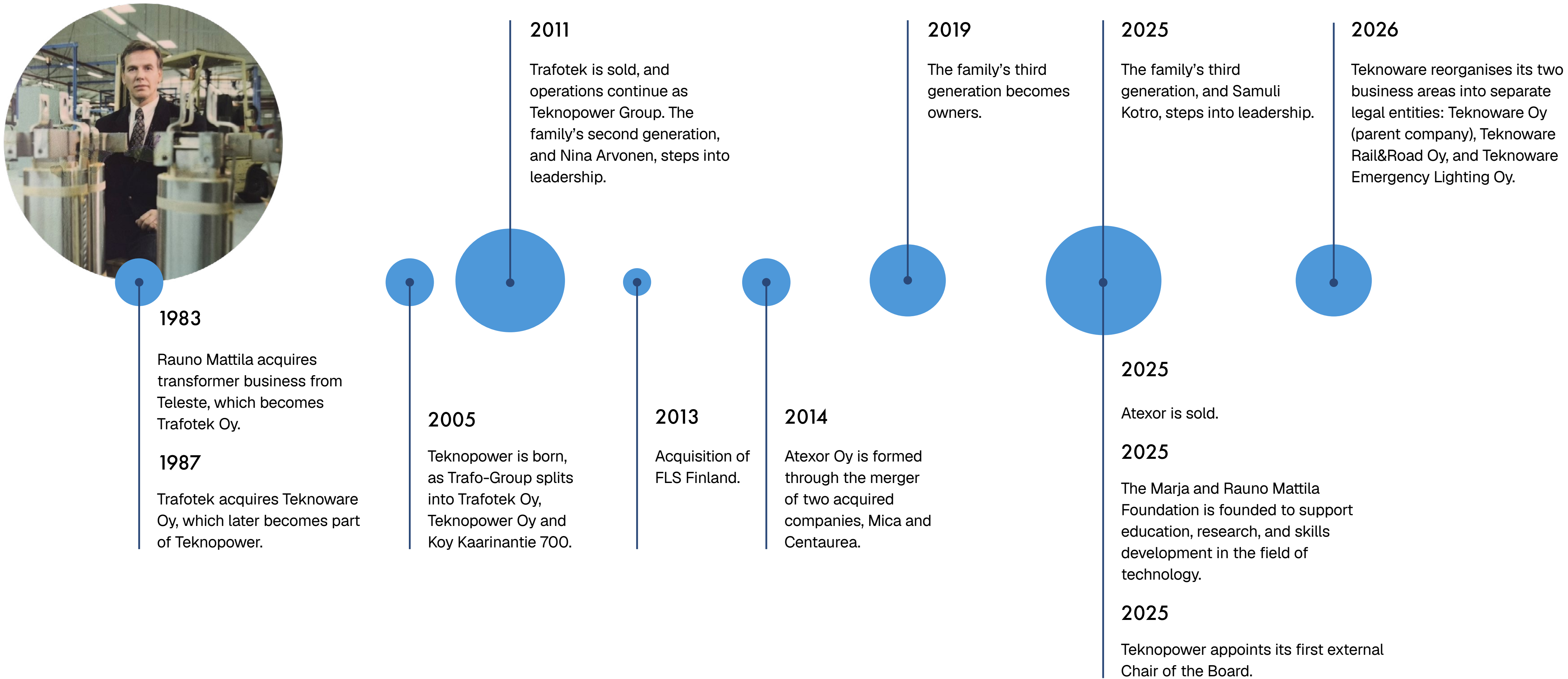
Operations in

3 countries

Our sites



Our history in brief



Our strategy focuses on long-term and active industrial ownership supporting growth

During 2025 and 2026, we defined our new strategy. Our ambition is to build a strong and balanced portfolio of established industrial companies. We want to create value by combining disciplined investment decisions with active, committed and long-term ownership.

We focus on established and profitable industrial businesses with capable leadership teams, strong market positions and clear opportunities for further development.

Our approach is based on majority ownership and a long-term investment horizon. Rather than investing with a predetermined exit timeline, we evaluate each company individually and develop our ownership according to its strategic potential.

Portfolio companies are at the centre of our strategy. Our role is to be the best home and partner for them by providing an ownership environment that supports sustainable growth, development and competitiveness. We contribute through active board work and clearly defined ownership strategies, and at group level we bring expertise and resources in areas such as strategic development, financing, investments, M&A and selected business development initiatives.

At the same time, we believe strongly in clear responsibilities. Operational decision-making remains within our portfolio companies, close to their customers, employees and markets. Our objective is not to manage our companies centrally, but to strengthen their ability to succeed independently while benefiting from the capabilities and resources of the wider group.

An important priority is the continued development of our current portfolio. We aim to strengthen the businesses we already own while seeking new investment opportunities that complement the group and broaden its industrial base.

As the portfolio develops, we aim to maintain a sound balance between businesses, markets and sources of value creation. Capital allocation therefore plays a central role in our decision-making: we evaluate where our resources can generate the greatest long-term value, whether through investment in existing businesses, acquisitions or other opportunities.

To support the next stage of Teknopower's development, we are strengthening the processes behind our ownership model: more systematic portfolio management, clearer ownership strategies and objectives for individual companies, consistent performance monitoring and disciplined capital allocation.

Sustainability is a natural part of our long-term perspective. ESG considerations are incorporated into our investment decisions and due diligence, while our ownership and governance structures connect sustainability priorities with the long-term development of our companies.

Our sustainability targets

Key performance indicator across the group	Target 2030
Inclusive recruitment: develop and implement inclusive recruitment practices for all recruitment; establish a framework for ongoing monitoring of workforce composition (age, gender, education and professional background)	At least 90% of positions filled through inclusive recruitment processes
Internal assurance process: full implementation across all subsidiaries, with audits during 2026–2027 and annual audits (rotating focus areas) from 2028 onwards	100% of subsidiaries audited
Severe negative human rights incidents	0 incidents
Convictions and fines for corruption and bribery	0 cases
Employee turnover rate in portfolio companies	Below 10%
Accident frequency (TRIR, Total Recordable Incident Rate)	At most 3
Renewable / fossil-free energy share	100%
Companies with public decarbonisation targets	100%
ESG integration score (share of investment decisions incorporating ESG risk analysis)	100%

What we offer our group companies

- Strategic consulting and project support
- Support in securing external financing
- Legal services
- Sustainability expertise
- Harmonised administrative practices

Sustainability work is a prerequisite for long-term business

If we fail to take care of the environment, the climate, or our people over the long term, we will lose our competitive advantage and will not have a strong business to pass on to future generations. Sustainability work helps us identify and prepare for risks related to our business and operating environment.

Through our sustainability work, we can show our financiers, our subsidiaries’ customers, and future employees alike that we meet the standards expected under ESG criteria. Through acquisitions and active ownership, we extend our values and ways of working to our subsidiaries.

Integrating acquired facilities gives us the opportunity to extend our sustainability standards across a broader footprint. After acquiring one of our manufacturing sites, we launched a comprehensive improvement programme to bring its operations in line with our own. Investments in equipment, working conditions, and everyday practices strengthened the working environment and supported the site’s long-term development.

ESG is part of our due diligence, and where we find shortcomings, ownership is our means of fixing them.

Through acquisitions and active ownership, we extend our values and ways of working to our subsidiaries.

How we prepared this report

This sustainability report has been prepared in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME). We have chosen to report in line with both the Basic Module and the Comprehensive Module. The report covers the period from January 2025 to December 2025.

The report presents consolidated information about Teknower Oy in 2025, and its subsidiaries FLS Finland Oy and Teknoware Oy (including Teknoware Rail&Road Oy and Teknoware Emergency Lighting Oy).

At the end of this report, a VSME Content index table summarises the required disclosures for the selected modules and provides additional information.

Our value chain

Across the group, our current core markets are public transport and building safety – through Teknoware’s vehicle lighting and interior solutions and its emergency lighting systems for buildings, ships and tunnels – and smart parking and retail signage, through FLS Group’s LED price displays and parking guidance systems.

Production spans Finland, Germany, Poland, the UK, Malaysia and the USA, with sales reaching over 50 countries for Teknoware Group and over 30 for FLS Group. Key suppliers provide electronics, metal components and wiring harnesses, complemented by extensive in-house manufacturing. Customers include vehicle manufacturers, building and infrastructure operators, fuel retailers, parking operators and property owners, served through regional sales offices and long-term partnerships.

The mapping of our value chain forms the foundation for our sustainability reporting and double materiality assessment. Our value chain framework encompasses sustainability impacts, risks, and opportunities not only across our direct operations, but also throughout the supply chain and the end of the product and service lifecycle.

The mapping of our value chain forms the foundation for our sustainability reporting.



Our value chain

Upstream		Teknopower		Downstream		
Indirect suppliers & partners	Direct suppliers & business Partners	Group & subsidiaries	Products & solutions	Commercial partners	Customers & end users	Circular economy & society
Raw material producers	Component suppliers	Board of Directors	Emergency lighting systems	Sales agents & brokers	Industrial customers	Repair & refurbishment partners
Electronics & semiconductor manufacturers	PCB (Printed Circuit Board) suppliers	Executive & management teams	Public transport lighting solutions	Distributors & wholesalers	Commercial customers & property developers	Recycling & material recovery operators
Metal & plastic component producers	LED & lighting component suppliers	Engineers & R&D employees	LED pricing display systems	Dealers & specialised resellers	Vehicle & rolling stock manufacturers (OEMs)	Waste management service providers
Battery manufacturers	Optics & lens suppliers	Manufacturing & operations workforce	Parking guidance solutions	System integrators	Public transport operators & authorities	Local communities & civil society
Packaging material suppliers	Contract manufacturers & assemblers	Sales & project delivery teams	Other industrial technology products & smart services	Installation partners & contractors	Municipalities & city administration	Investors & financial institutions
Logistics & transportation service providers	Engineering & technology development partners	Sustainability, ESG & support functions		Service & maintenance partners	Infrastructure owners & operators	Industry associations & standards bodies
Energy & utility suppliers	Equipment & machinery suppliers	Current & future portfolio companies			Passengers & public transport commuters	Society & natural environment
Regulatory & standardisation authorities	Testing, inspection & certification providers				Facility users & building occupants	
Industry & trade associations	IT & software infrastructure providers					
Supply chain workforce & labour communities	Professional service providers					

Our direct footprint is modest, but our influence runs deep

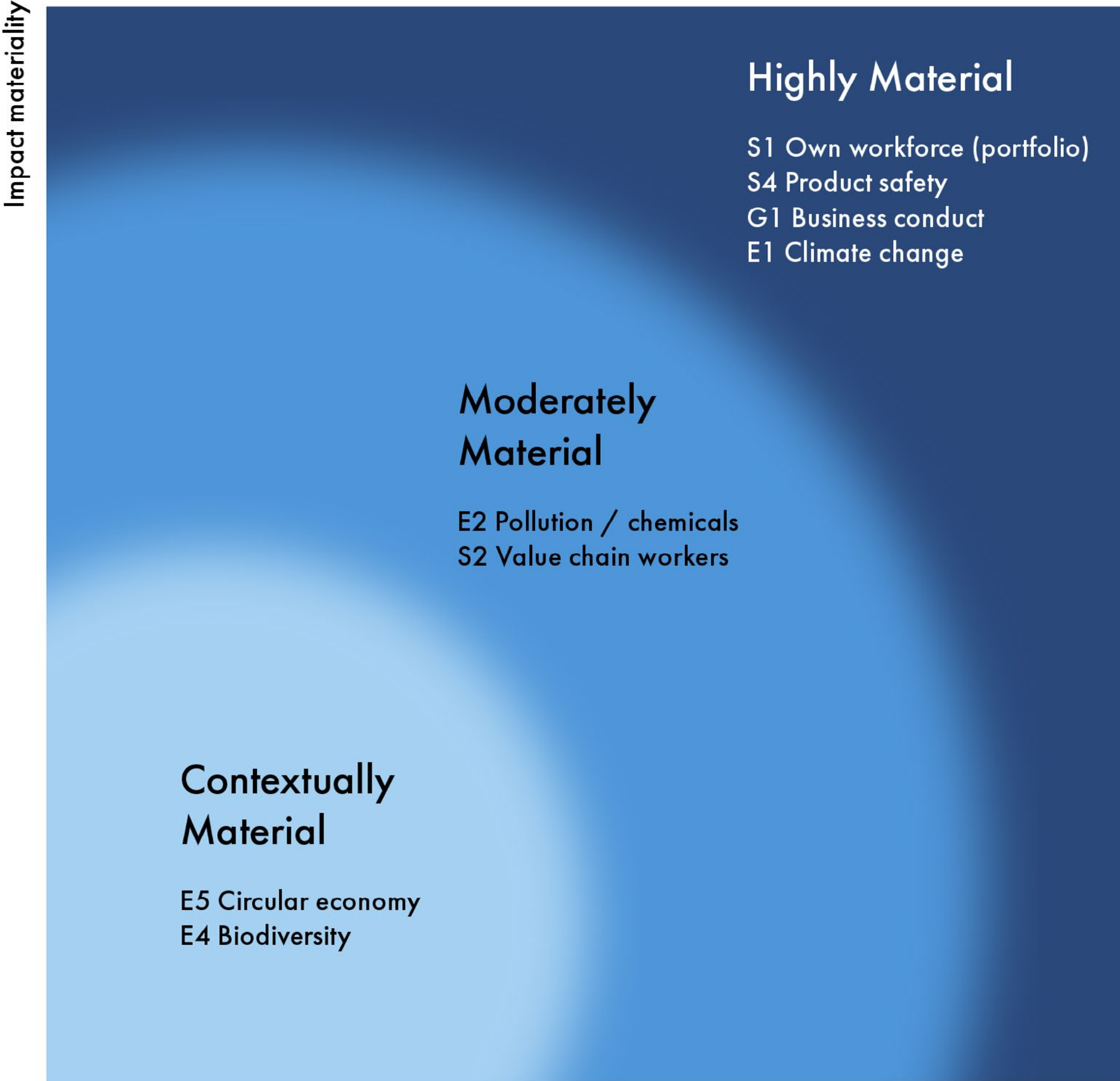
Understanding where our impact is greatest starts with knowing where to look. In 2025, we completed our first double materiality assessment across the group, examining both how our operations affect people and the environment, and how sustainability-related risks and opportunities affect our business and financial position.

This gave us a prioritised view of the topics that matter most to our companies and stakeholders and forms the foundation for how we define our sustainability priorities and prepare for future reporting requirements.

As a parent company, our direct footprint is modest, but our influence runs deep: environmental and social impacts are generated primarily at the operational level within our subsidiaries, while we hold direct responsibility for governance and capital allocation across the group.

Double materiality

The material topics identified are grouped into three tiers from our most material, core priorities to topics we continue to monitor in context.



Financial materiality

Setting the governance standard across group companies

Powering trust

In 2025, we started putting real structure behind our governance: we launched our first group-wide anti-corruption risk assessment, built ethics and sustainability onboarding for new employees, and mapped out a roadmap to bring internal assurance and audits across the group to a consistent standard by 2027.



Clear roles for responsible ownership

As a family-owned group, we believe clear roles are the foundation of responsible ownership. Our Corporate Governance Policy sets out who decides what – from the owner family to the boards and CEOs of Teknopower and our subsidiaries.

Family Council

The Family Council brings the owner family together on ownership matters. It is responsible for our ownership strategy and succession planning, and continuously assesses the composition of Teknopower's board. Our shadow board practice helps prepare the next generation for these roles. Once a year, at our Autumn Meeting, the owners share the family's values and ownership principles with the boards and management of our companies.

Annual general meetings

Teknopower's annual general meeting, held among the family shareholders, formally elects our board of directors and decides on matters such as the financial statements, dividends and capital structure. Our subsidiaries' annual general meetings handle the corresponding matters bearing in mind the instructions from Teknopower and elect their boards, on which the owners' family members are also represented.

Board of directors

Our board carries ultimate responsibility for how the group is governed. It approves Teknopower's strategy, action plan, budget and key financial and sustainability targets, and oversees risks, policies and significant business decisions. It also appoints and evaluates our CEO and assesses its own work every year. Our subsidiaries' boards follow the same principles.

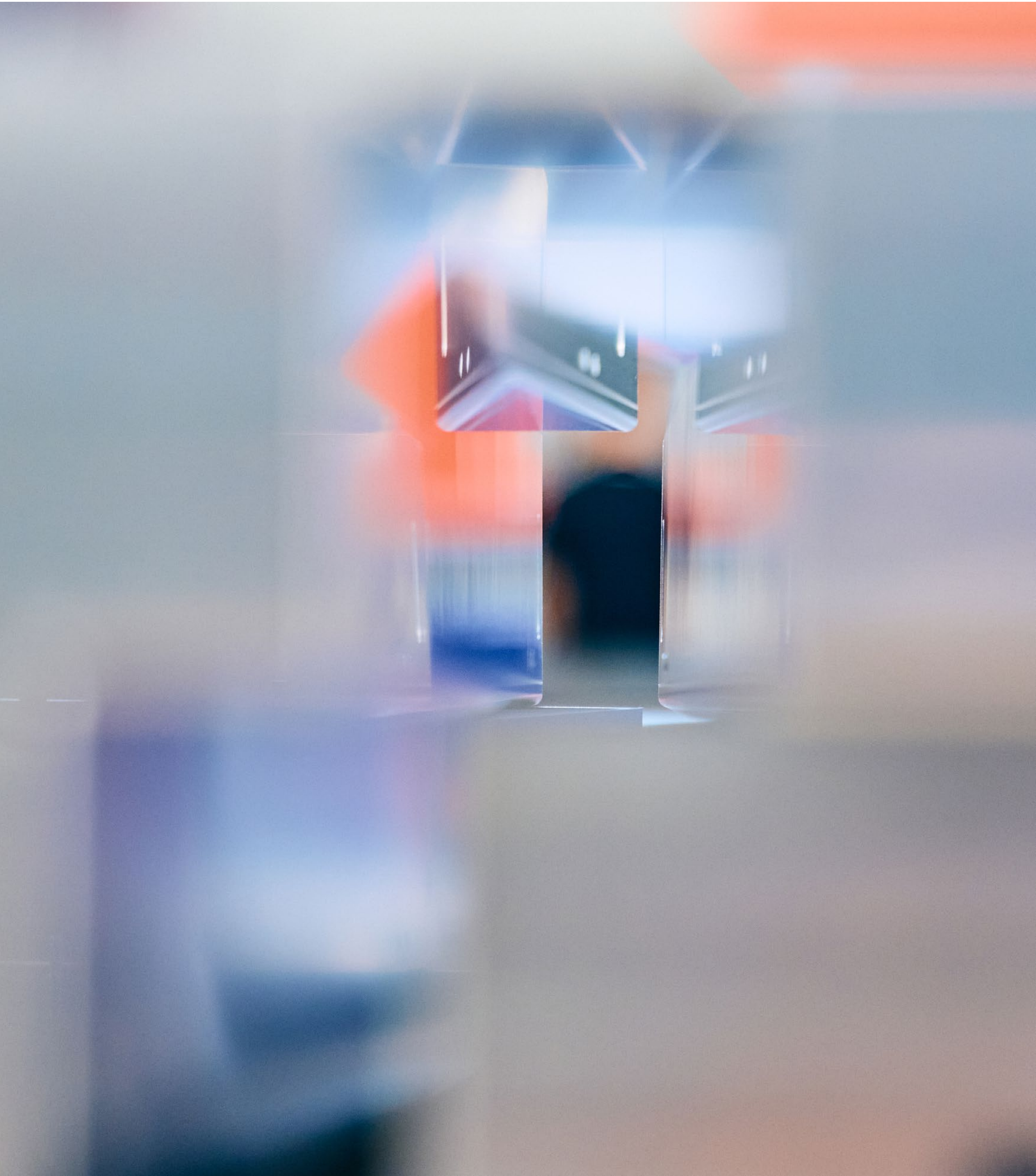
CEOs

Our CEO leads Teknopower's day-to-day operations in line with the board's guidance and drives the implementation of our strategy, including sound risk management, internal controls, ethical conduct and open communication with stakeholders and the board. Our subsidiaries' CEOs lead their own companies on the same principles.

Clear rules for decision-making

Our policy also sets clear rules for signing authority, the confidentiality of board information and conflicts of interest, in line with the Finnish Companies Act.





From policy to practice

Our Group Ethics Charter sets the standards we expect across the group on anti-corruption and bribery, human and labour rights, and responsible business conduct, and is put into practice through training and onboarding at company level.

Teknopower’s board of directors oversees and approves updates to the Ethics Charter, while the Head of Sustainability is responsible for drafting, maintaining, and annually revising it, as well as for implementing and coordinating the company’s anti-corruption framework.

At our largest company, Teknoware Group, every new salaried and senior salaried employee is introduced to our Code of Conduct during onboarding and receives dedicated sustainability training covering our policies, targets, whistleblowing channels, and our ISO 14001 environmental management system. In addition, new manufacturing employees receive environmental training tailored to their role and work environment, ensuring they understand the environmental aspects and requirements relevant to their daily responsibilities.

At FLS Group, certain officers and senior salaried employees complete code of conduct training, and the onboarding of all employees includes core elements, such as equal treatment of employees, environmental matters, and occupational safety.

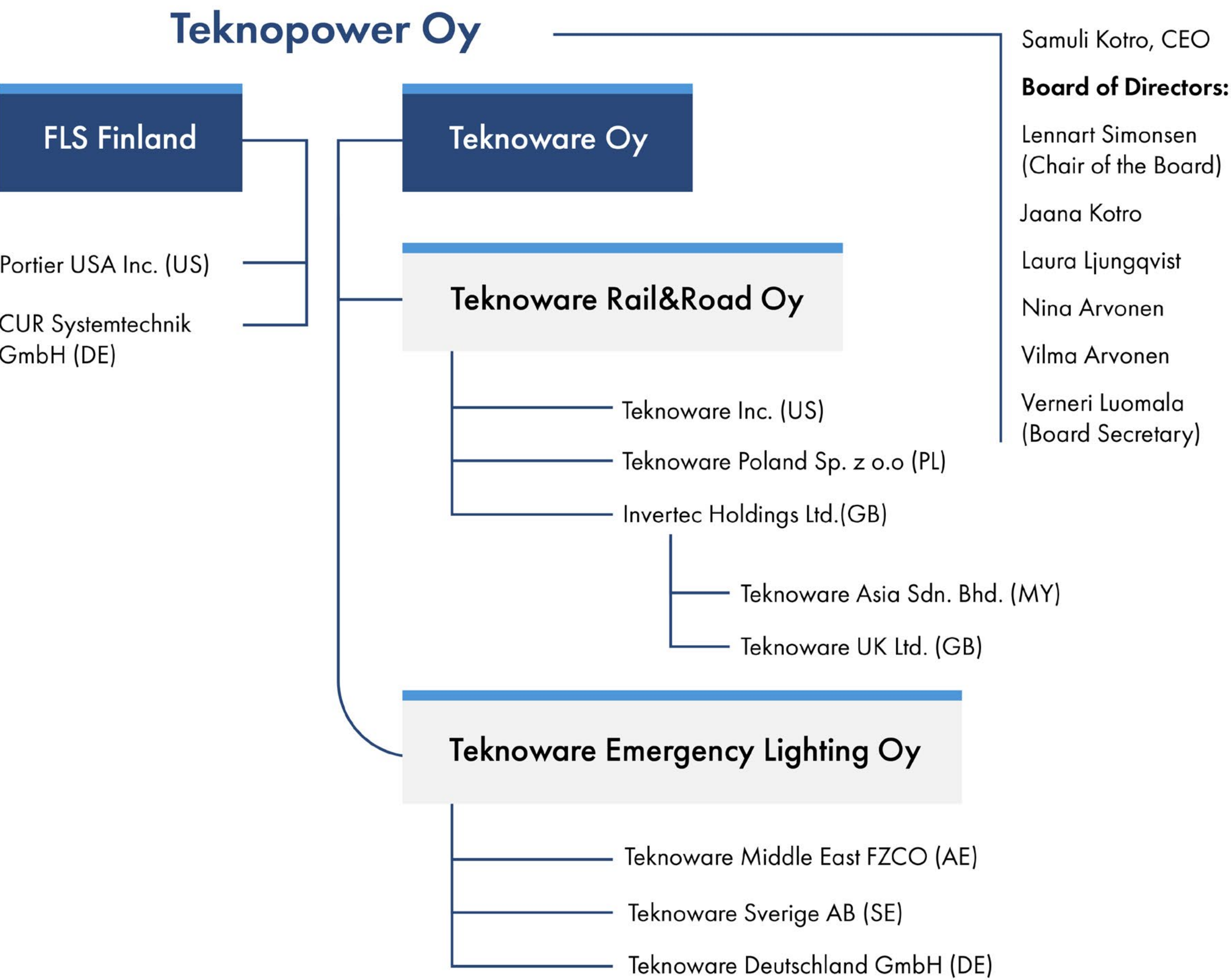
To strengthen governance further, we aim to fully implement internal assurance processes and complete audits across all subsidiaries by 2027, moving to annual audits from then on.

Our first group-wide anti-corruption risk assessment is a concrete example of this work in practice.

Sustainability training completed

by 100%

of new salaried and senior salaried Teknoware Group employees in 2025



In 2025, no reports were received through the channel.

Our first group-wide anti-corruption risk assessment is a concrete example of this work in practice. In 2025 we decided to build a structured process, and in spring 2026 we launched it at Teknoware Group.

We identified functions carrying the greatest risk with input from senior management across finance, HR, production and purchasing, and formed a training plan for our highest-risk functions – purchasing, project management, and sales. We aim to extend the process to our other companies, including FLS Group, by 2027.

Whistleblowing and misconduct reporting

Of our companies, Teknoware Group maintains an anonymous whistleblowing channel for reporting suspected misconduct. All reports are handled with strict confidentiality, and prompt corrective actions are taken whenever necessary. In 2025, no reports were received through the channel. We are planning to extend the practice to other companies in the future.

Investing in the people who make our companies work

Powering capability

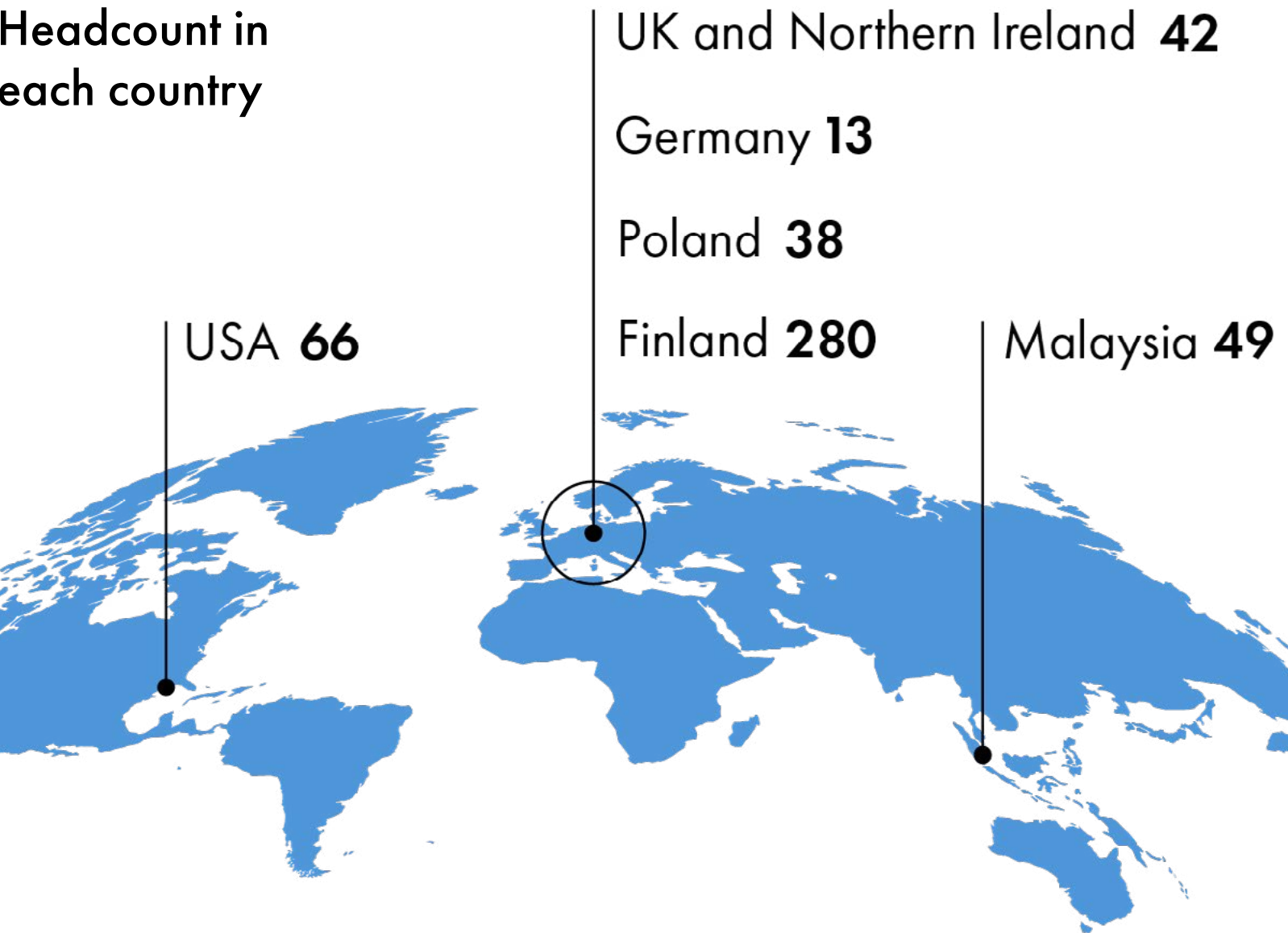
Our people make us who we are, and 2025 gave us plenty to be encouraged by: our workforce grew across six countries, our safety record held strong with no serious incidents, and low turnover told us people want to stay. We also kept working to make our hiring more inclusive at every level, from the factory floor to the boardroom.



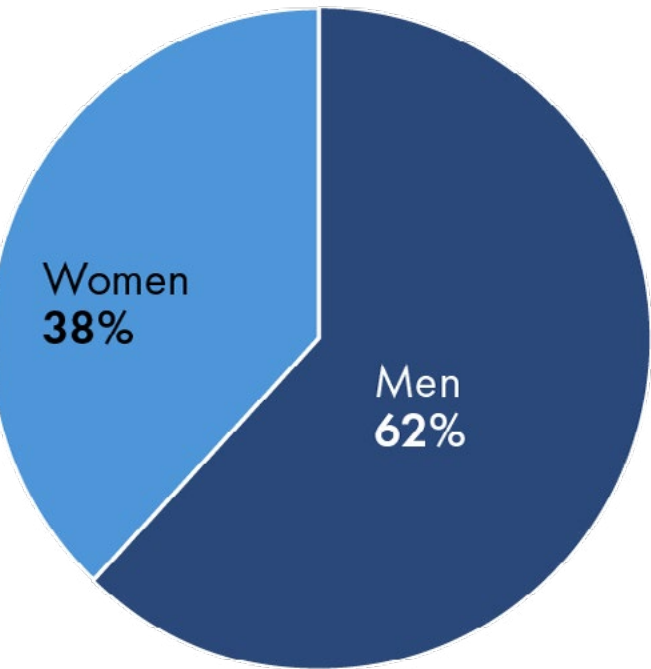
Our global presence

In 2025, our subsidiaries operated in six countries with a workforce that was 57% factory-based and 43% office-based. Total headcount increased by 6% during the year, rising from 462 to 488 employees, driven by 35 new hires.

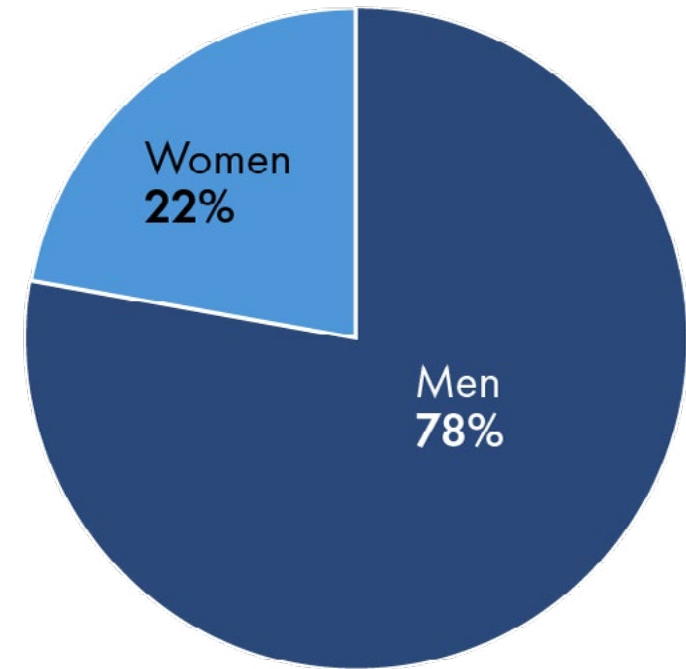
Headcount in each country



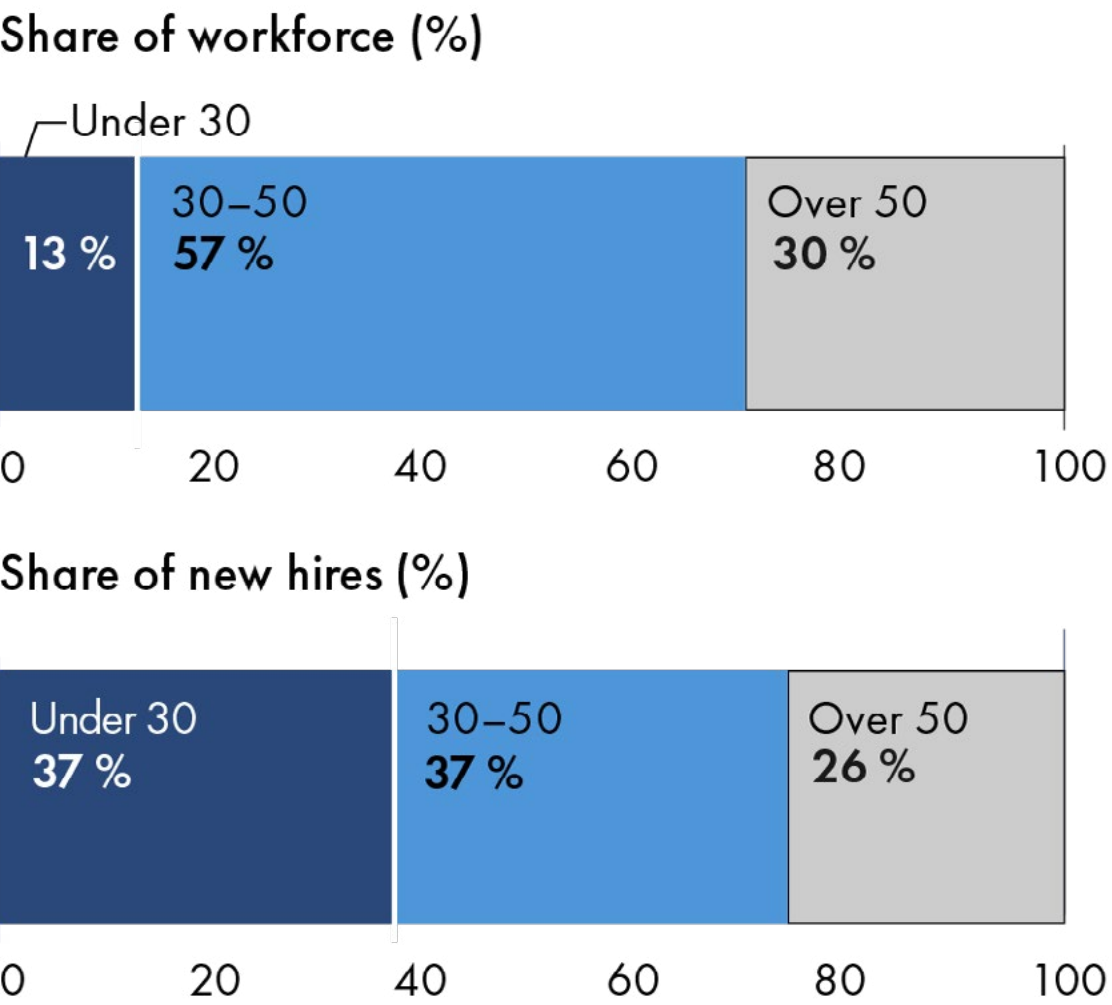
Gender breakdown



Gender distribution in the board and management



Age distribution and new hires



Gender and age distribution in management

Across our companies, a total of 36 people work in management positions, consisting of 28 men (78%) and 8 women (22%). The board of Teknopower consists of 3 men (43%) and 4 women (57%). The leadership spans a broad age range, with 14 members aged over 50, 13 aged 30-50, and 1 member under 30. The age distribution data excludes Teknoware Inc. in the US.

Diversity brings resilience

We believe a diverse workforce, meaning a variety of genders, ages, backgrounds, education and professional experience, makes our companies more resilient. It means we are better equipped to understand where society, our customers, and our customers' customers are heading, and to respond accordingly.

We are developing and implementing inclusive recruitment practices across all our hiring, with the ambition that at least 90% of positions are filled through processes that reach a broad, diverse pool of candidates.

To track whether this translates into real change, we are establishing a framework for ongoing monitoring of workforce composition covering age, gender, and educational and professional background.

As a family-owned company, we already have a strong foundation to build on: younger family members are brought into the boardroom early through a shadow board practice, gaining experience alongside seasoned directors well before taking on formal roles. Our ambition is to bring that same spirit of early inclusion to how we recruit and develop talent across the company.





A stable, secure workforce

At our companies, employment is predominantly permanent and full-time. There is little difference between women and men in the permanence of their employment: permanent contracts accounted for 96% of employment among women and 97% among men.

Stability goes hand in hand with flexibility. We aim to make balancing work and private life easier, through, for example, flexible working hour arrangements for parents of small children, agreed individually between each employee and their supervisor. These practices are already well established at our largest company, Teknoware Group, and we are working to bring the same approach to every company across the group.

Low turnover, high retention

During 2025, a total of 47 employees left our companies, representing an overall turnover rate of 9.9%. This is within our target of keeping turnover below 10%.

Turnover remained consistent across the group, with no significant differences between women (7.8%) and men (11.1%), or between factory (9.9%) and office staff (9.0%). Alongside this, the absence rate stood at 3.8% of total working hours in 2025.

Together, low turnover and moderate absence levels are among the clearest signs of a committed workforce and a healthy day-to-day atmosphere across our sites.

96%

of employees have permanent contracts

4%

are on fixed-term contracts

95%

of the workforce in full-time roles

5%

in part-time positions

97%

retention rate

Safety and health always come first

In 2025, our subsidiaries remained committed to providing a safe and healthy working environment. Occupational health and safety is managed through site-specific Health and Safety Guidelines aligned with local legislation, with roles and responsibilities communicated during onboarding and kept accessible at every site. Employee health and wellbeing are supported through occupational health services and other measures tailored to local requirements and site practices.

Supporting people throughout their careers also means paying close attention to our workforce as it ages: 30% of our production employees and 37% of our salaried employees are aged 50 or older.

To enable long careers, we work closely with our occupational healthcare provider on ergonomics and the prevention of sickness absence, review ergonomics as part of our production planning, and make active use of partial sickness allowance to help employees with reduced work ability stay in, or return to, work.

In these situations, occupational healthcare, supervisors, and the employee agree together on arrangements, such as adjusted tasks or working hours, that protect the individual's health and support their recovery.

Wellbeing starts from belonging

Across our sites, we invest in bringing people together. In 2025 in Lahti, Finland, we teamed up with ice hockey club Lahti Pelicans for our first-ever skating school, led by the club's own skills coach, giving colleagues a fun and safe way to be active as a team.

Every factory hosts annual summer parties and Christmas celebrations to mark milestones and enjoy each other's company. In Poland, the team closed out the year with a traditional December gathering, complete with festive customs, holiday dishes, and a toast to the year ahead. At Teknoware UK, we celebrated Women in Engineering Day on 23 June and the women working across our shop floor, procurement, and engineering teams, and came together for a charity bake sale that raised funds for Macmillan Cancer Support – an amount the company then doubled to make an even bigger difference.

In Malaysia, our team ran a three-month Step Up Challenge to encourage everyday movement and a healthier daily routine. They also celebrated Chinese New Year and Hari Raya to honour the different traditions within the team.

At FLS Group, we provide an annual wellness benefit to support our employees' cultural and physical wellbeing, and host annual Christmas parties, workability days and strategy days that bring the team together. To keep a finger on the pulse of how the team is doing, FLS also carries out an annual wellbeing survey.

Our safety performance	2025
Hours worked	838,273
Hours of production lost	391
Number of recordable work-related injuries	14
Rate of recordable work-related injuries (per 200,000 hours worked)	3.3
Number of fatalities (work-related injury or ill health)	0
High-consequence work-related injuries	0
Near-miss incidents	12
Safety KPI target (accident frequency, TRIR)	≤ 3

Investments in skills ensure long careers

In 2025, we provided over 7,300 hours of training across our companies, and performance and career development reviews were held regularly.

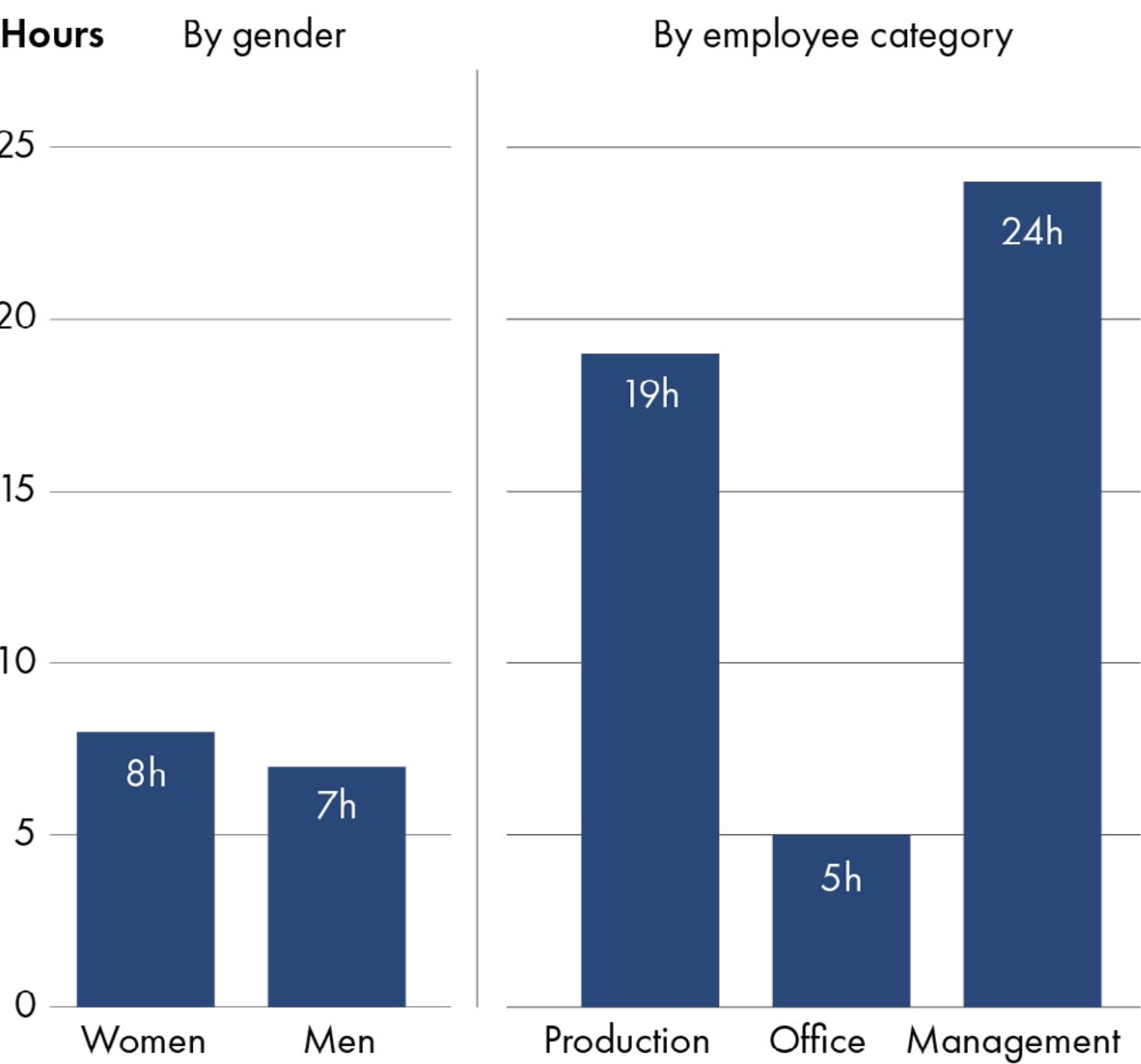
Training needs are identified individually for salaried employees, through annual performance discussions with their supervisors, and for production employees, through a structured multi-skill programme that keeps pace with new machines, product ranges, and process changes.

Statutory training, covering areas such as electrical work safety, first aid, and fire safety, is refreshed at regular intervals, and more specialised skills are built as they arise. For instance, when a client audit highlighted a requirement for IPC standard training, our electronics teams were trained accordingly.

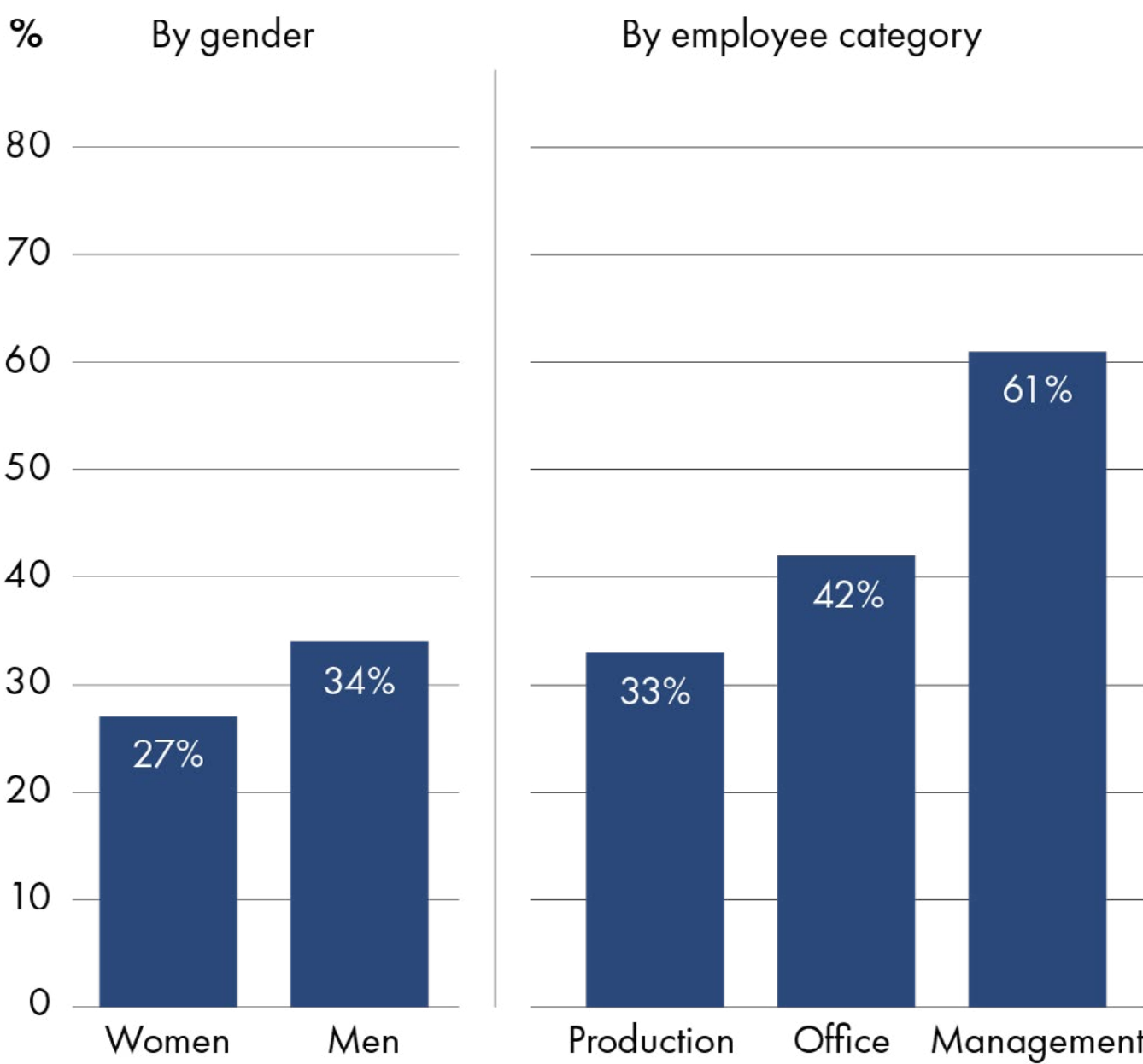
Supervisors and managers are also offered training on an annual basis, with topics shaped by what employees themselves say they need through regular internal surveys.

We see our continuous investment in skills as one of the reasons people build long careers with us: rather than needing to change employers to grow, our people can move into new roles and responsibilities within the company as their interests and skills develop.

Average training hours per employee



Employees receiving performance reviews



Laying the groundwork for a lower-carbon, circular future

Looking after the environment we operate in is something we take seriously, and 2025 was the year we laid the groundwork: we set clear targets for our energy transition and circular economy ambitions. Several of these targets are still being refined, and much of what we started in 2025 will only show its full effect in the years ahead.

Powering
responsibility



Cutting our carbon footprint

We are dedicated to supporting the transition to a low-carbon economy, and in 2025 that ambition started taking shape as a concrete plan. In early 2026, we formally adopted our Climate Transition Plan, setting out our path towards a 100% transition to renewable or fossil-free energy across all operations by 2030, alongside energy efficiency measures in our facilities and offices and the electrification of equipment where possible.

Together, these steps are designed to eliminate our Scope 2 emissions over time and meaningfully reduce our Scope 1 emissions. Some of that improvement is already visible in our 2025 baseline: our market-based Scope 2 figure is already lower than our location-based figure. This reflects renewable electricity contracts already in place across several of our companies.

During 2025, FLS Finland already sourced 100% renewable electricity, while at Teknoware Group, and more specifically Teknoware UK, Teknoware Poland, and Teknoware (Lahti, Finland) each covered part of their electricity needs through renewable contracts, with the remainder calculated using the national residual mix.

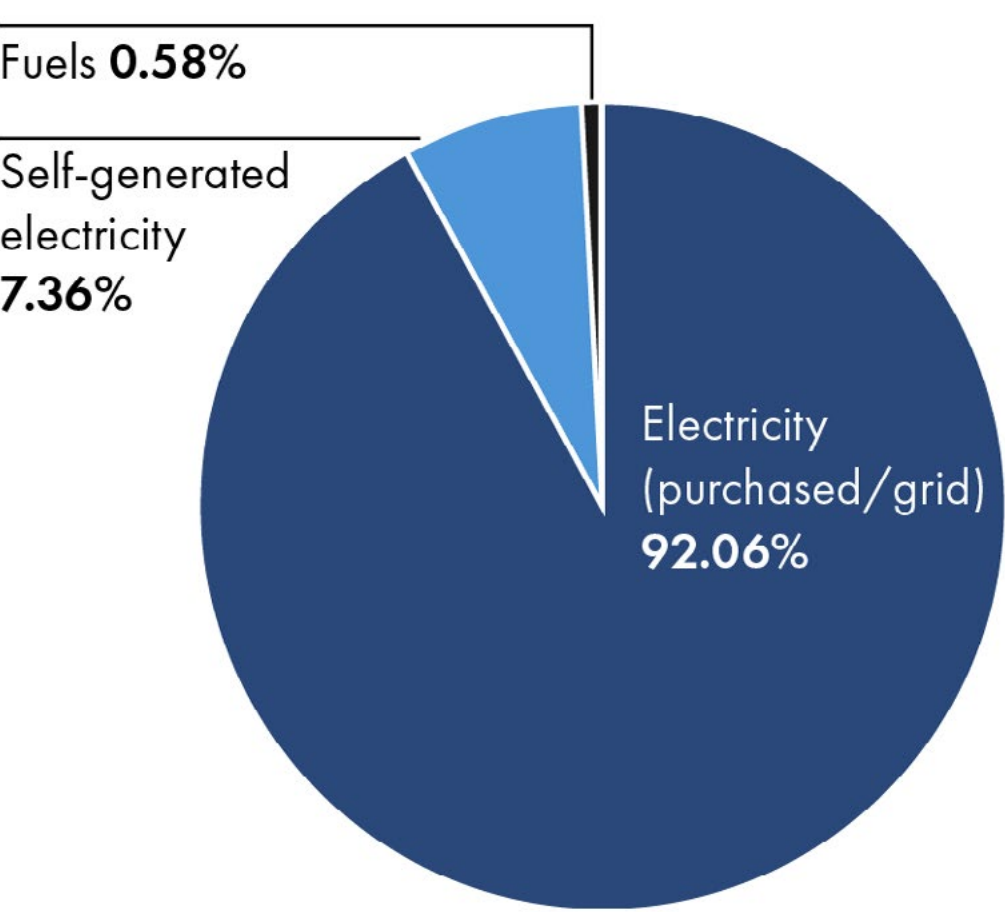
As our companies move towards full renewable electricity coverage – including Lahti’s shift to 100% renewable electricity and district heating from January 2026 – and as we begin addressing our Scope 3 emissions together with our suppliers, we expect this gap to widen further in our favour.

To understand our carbon footprint relative to our business size, we track emissions intensity, total Scope 1–3 location-based emissions relative to revenue. In 2025, this figure was 210.6 tCO2e per million euros, based on the group’s total revenue of €83.8 million.

Greenhouse gas emissions	Baseline year 2025 (tCO2e)	Target year 2030 (tCO2e)
Scope 1 emissions	79	33
Scope 2 (location-based)	1,431	-
Scope 2 (market-based)	1,203	601
Scope 3	16,139	To be set in 2026
Total location-based emissions	17,649	

Energy consumption

In 2025, our operations consumed a total of 3,651 MWh of energy. Of our total energy consumption, 30% already came from renewable sources, with the remaining 70% still non-renewable. As we work towards that target, closing this gap is one of our clearest levers for reducing our environmental footprint.



Our circularity framework

Design for durability and serviceability

Modular designs built for long operational lifespans, with easy repair, refurbishment, and component replacement.

Retrofit and modernisation

Existing systems can be modernised with up-to-date technology to extend their service life. Customers don't need to replace the entire system, which saves materials, costs and downtime.

Extending product and system lifetime

Through maintenance, spare parts and targeted component upgrades, we help keep installed equipment in reliable operation for as long as possible.

Material recovery and recycling

Recyclable metals and responsibly sourced materials.

Closed-loop manufacturing

Production optimised to minimise scrap; by-products are reintroduced into supply chains or recycled through certified partners.

Value chain collaboration

We collaborate with suppliers on circular practices, including packaging reduction and material traceability.

Designed to last, built to return

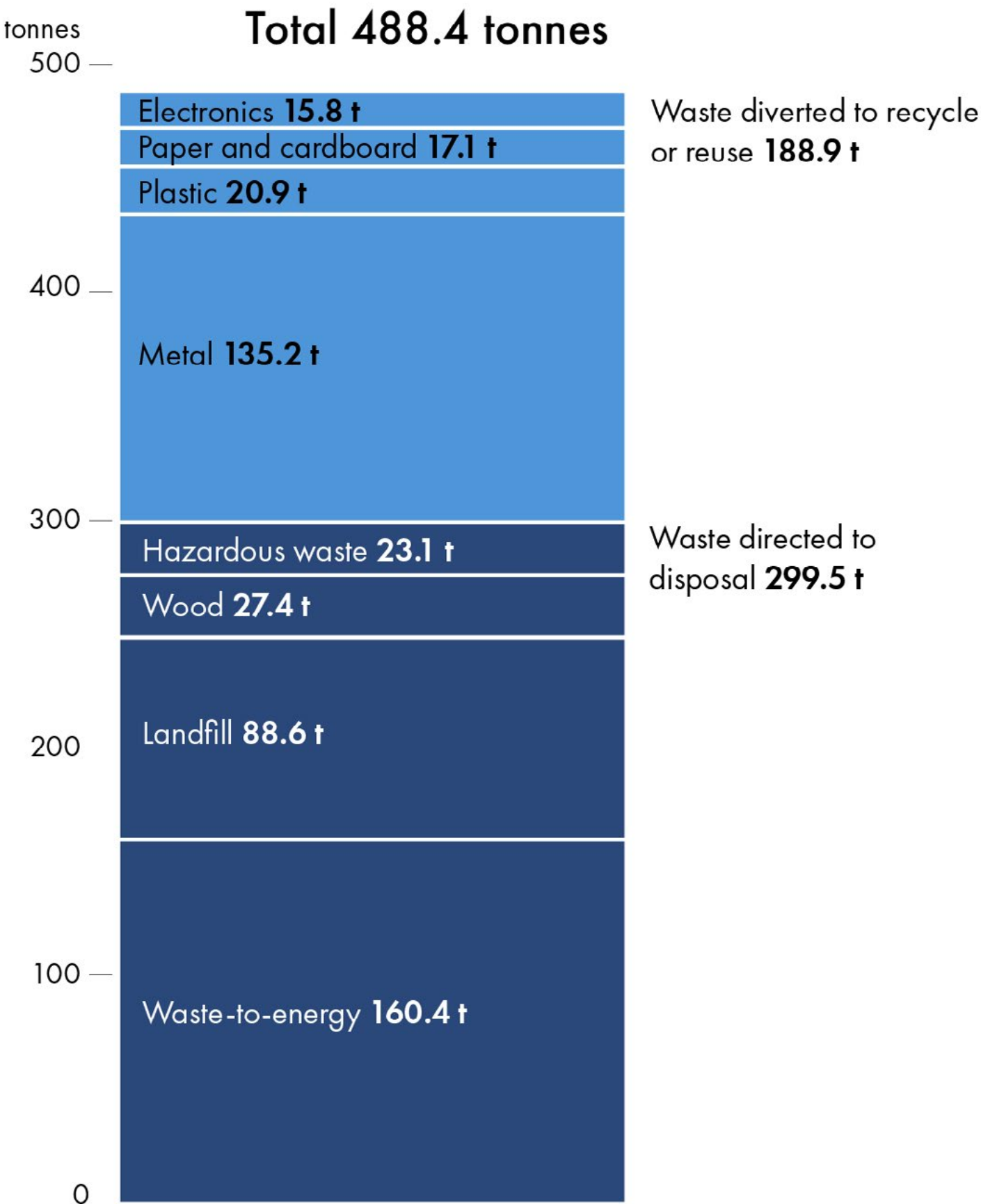
We are committed to applying circular economy principles across our group to reduce resource consumption and minimise the lifecycle environmental impact of our electrical and power solutions.

In 2025, total material consumption across operations stood at 590 tonnes. Going forward, we focus on increasing the share of waste that is recycled rather than sent to landfill.

In 2025, we achieved a recycling rate of 39%. As recycling infrastructure and partner availability vary significantly across our markets, we have set a differentiated near-term target: a global recycling rate of at least 60% by 2030. Our high-maturity sites, where established recycling infrastructure and partners are available, aim for at least 75%, and developing sites target an improvement of at least 10 percentage points per year. Our longer-term ambition is an 80% waste diversion rate from landfill across our subsidiaries.

Waste generated

In 2025, we generated a total of 488 tonnes of waste, of which 23 tonnes was classified as hazardous. In line with the VSME standard's definition, 188 tonnes (39%) was diverted to recycling or reuse, while the remaining 299 tonnes (61%) – including landfill, incineration, and energy recovery – was directed to disposal.



Waste treatment methods

Beyond the recycling and reuse figures, the table below provides a fuller picture of how our waste is treated. When energy recovery is included alongside recycling, 77% of our waste in 2025 was diverted away from landfill.

Although energy recovery is not classified as recycling under the VSME definition, this result demonstrates continued progress towards more sustainable and circular waste management practices.

Treatment method	Tonnes
Recycling	188.9
Energy recovery	187.8
Incineration (mass burn)	23.1
Landfill	88.6
In total	488.4



Climate risks

Climate change brings both physical and transition risks to our business. In 2025, we carried out our first mapping of what these risks could mean for us. This preliminary view marked an early step in building our climate risk understanding.

Some of the risks we’ve identified across our operations, supply chain and market position are already starting to materialise in the areas we operate in. We expect physical risks to intensify in the years ahead.

Refining this mapping further, including benchmarking how peer companies approach climate risk, and working more closely with our boards, is one of the areas we plan to develop. We haven’t implemented formal adaptation actions yet for the identified physical risks. This is planned as part of the next risk-mapping phase.

Physical climate hazards

Time horizon

Extreme weather events

Storms, floods and heatwaves are already increasing in frequency, disrupting manufacturing, logistics and energy supply. Some of our sites are at higher risk of exposure to climate-related risks such as flooding, hurricanes and wildfires that could disrupt operations and supply chains.

Short
1 yr

Water stress and scarcity

Droughts in water-stressed regions where our suppliers operate can disrupt raw material production and increase costs across our supply chain.

Medium
2–5 yrs

Supply chain vulnerability

Climate-related disruptions in raw material sourcing are already occurring globally. We see particular exposure around printed circuit boards and other electronics components, where demand from data centers and drone manufacturing, combined with geopolitical tensions, is straining global supply.

Short
1 yr

Temperature variability and heat stress

Higher average temperatures gradually raise cooling demand and affect equipment performance.

Medium
2–5 yrs



Transition risks

Time horizon

Regulatory changes

The EU's 2026 Omnibus reforms have narrowed and delayed mandatory CSRD and EU Taxonomy reporting obligations, easing near-term compliance pressure for many companies, including us. Even so, carbon pricing continues to expand, and investor and customer expectations around climate performance remain high. We continue to report voluntarily so that we stay prepared, whichever way formal requirements evolve next.

At the same time, customers are requesting compliance data across a growing range of regulatory areas. Responding to supplier inquiries, data analysis and management take growing resources, adding to our operational costs – and risks, whenever the underlying data is incomplete, outdated or inaccurate.

Short
1 yr

Financial and investor pressure

ESG-linked financing and investor scrutiny are already shaping access to capital.

Short
1 yr

Market shifts

Customer demand for low-carbon, energy-efficient products is accelerating as sustainability becomes a procurement criterion.

Medium
2–5 yrs

Technology transition

Electrification and renewable energy investments are phased but require planning to meet 2030 targets.

Short
1 yr

Reputation and competitive advantage

Credible climate transition plans build brand value and market share; laggards risk losing contracts.

Short
1 yr

VSME content index

B1 Basis for preparation

Company name: Teknopower Oy

Business ID: 2416040-4

Legal form: Private limited liability undertaking

NACE sector code: M70.22

Country of registration: Finland

Country of primary operations: Finland

Registered office: Erottajankatu 2, 00130 Helsinki

General information about the company is described on pages [4–11](#). This report has been prepared in accordance with the VSME Standard and covers both the Basic Module and the Comprehensive Module. Reporting is carried out at group level, on a consolidated basis. No information has been omitted from the report on grounds of confidentiality or sensitivity. Subsidiaries included in the consolidated report: Teknoware Oy (incl. Teknoware Rail&Road Oy and Teknoware Emergency Lighting Oy) and FLS Finland Oy. All companies in the group have the legal form of a private limited liability undertaking.

List of sites

Name of subsidiary	Address of site	Postal code of site	City of site	Country of site	GPS location of site
Teknoware Oy*	Ilmarisentie 8	FI-15200	Lahti	Finland	60.982628, 25.661342
Teknoware Rail&Road Oy*	Ilmarisentie 3B	FI-15200	Lahti	Finland	60.982628, 25.661342
Teknoware Poland Sp. z o.o.	ul. Grabskiego 22	55-011	Siechnice	Poland	51.032388, 17.150728
Teknoware UK Limited	Trimdon Grange Industrial Estate	TS29 6PE	Trimdon Grange, County Durham	United Kingdom	54.714383, -1.424106
Teknoware Inc.	673 Century Circle	29526	Conway, South Carolina	United States of America	33.836004, -79.047814
Teknoware Asia Sdn. Bhd.	No. 26, Jalan Mega 1/1, Kawasan Perindustrian Nusa Cemerlang	79200	Iskandar Puteri, Johor	Malaysia	2.022882, 103.311456
Teknoware Emergency Lighting Oy*	Ilmarisentie 8	FI-15200	Lahti	Finland	60.982628, 25.661342
Teknoware Sverige AB	Gräsdalsgatan 10	SE-653 43	Karlstad	Sweden	59.380915, 13.502763
Teknoware Middle East FZCO	I#601, 4WA, Dubai Airport Free Zone PO Box 118688		Dubai	United Arab Emirates	25.2048, 55.2708
Teknoware Deutschland GmbH	Hauptstraße 15	10827	Berlin	Germany	52.517388, 13.395131
FLS Finland	Autokatu 6	20380	Turku	Finland	60.4515, 22.2687
CUR Systemtechnik GmbH (FLS subsidiary)	Zum Sitters 12	66787	Wadgassen	Germany	49.2667, 6.7667
Portier USA (FLS subsidiary)	673 Century Circle	SC 29526	Conway, South Carolina	United States of America	33.836004, -79.047814

The NACE sector classification codes are as follows: M70.22 (Teknopower), C27.40 (Teknoware), C27.90 (FLS Finland).

B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy

Practices, policies and forward-looking initiatives are described throughout the report: see page 20 for Group Ethics Charter and Code of Conduct, page 29 for climate transition plan and 2030 renewable-energy target, page 30 for circular-economy framework and recycling targets. See the group-level sustainability targets table on page 13 for the associated targets and progress-tracking approach.

B3 Energy and greenhouse gas emissions

Energy consumption, greenhouse gas emissions and greenhouse gas emissions intensity are described on page 29. Our total (Scope 1–3) GHG emissions intensity was 210.6 tCO2e/M€ in 2025 – a broader, voluntary metric than VSME’s B3 definition (Scope 1 + location-based Scope 2), under which our intensity was approximately 18 tCO2e/M€.

B4 Pollution of air, water and soil

Our subsidiaries’ operations mainly consist of assembly and manufacturing activities and do not involve large-scale chemical processing or other process-intensive production methods. As a result, pollution-related impacts are generally limited and have not been identified as a material topic across most of our operations, and the same applies to biodiversity and ecosystems given our limited land-use footprint.

Regarding air quality, environmental monitoring requirements apply at two facilities. In Poland, a surface-treatment (painting) line operating under an environmental permit is monitored for air emissions – non-methane volatile organic compounds

(NMVOC), organotin compounds, and copper and its compounds – with volumes of 4,755.3 kg, 2 kg, and 15 kg respectively in 2025. In Malaysia, particulate matter monitoring is carried out in accordance with local regulatory requirements, with 9.07 kg recorded in the same year. Emission volumes at both sites are small relative to production scale.

B5 Biodiversity

Most of our indirect environmental impact comes through the materials we source rather than our own operations: purchased electronic components and raw materials such as aluminium, plastics and steel can carry pollution or biodiversity risks further up the supply chain. We manage this through supplier requirements to identify, manage, and reduce restricted and hazardous substances, and through responsible sourcing practices.

Biodiversity itself has not been identified as a material topic for us; at Teknoware Group, we also screened our operating sites using the Integrated Biodiversity Assessment Tool (IBAT) and found none located within or near biodiversity-sensitive areas – a picture consistent with the similar manufacturing activities carried out across our other subsidiaries. Screening not yet extended to FLS Finland.

B6 Water

Total water withdrawal in 2025 was 4,856.20 m³. None of our facilities are located in areas of high water stress. Our manufacturing processes do not use water as a production input, so we do not generate processed wastewater or industrial effluents. Water is used mainly for sanitary and cleaning purposes: where possible, cleaning water is discharged to the municipal wastewater system in line with local requirements, and where it cannot be, it is collected and transported to a licensed treatment facility.

B7 Resource use, circular economy and waste management

Circular economy principles are described on page 30. Breakdown of waste by type and total hazardous and non-hazardous waste are described on page 30–31. Annual mass-flow of relevant materials used: total material consumption 590 tonnes.

B8 Workforce, general characteristics

General information and characteristics about our workforce, meaning workforce by type of contract, by gender, by country of employment, and turnover rate, are described on pages 22–25. Turnover and retention rates use different formulas and are not complementary: turnover = leavers ÷ average headcount; retention = (year-end headcount – new hires) ÷ year-start headcount. Both figures are correct; they simply measure different things.

B9 Workforce, health and safety

Number and rate of recordable work-related accidents, as well as number of fatalities (work-related injury or ill health) are described on page 26.

B10 Workforce, remuneration, collective bargaining and training

Information regarding remuneration and training is described on pages 23 and 37. Collective bargaining coverage is described on page 37. Average training hours can be found on page 27.

Gender pay gap: We don’t have a group-wide gender pay gap figure yet available at a reportable level. We are currently defining the calculation methodology needed to produce a comparable figure across all entities, and aim to report this metric in 2027.

Minimum wage compliance: Across all site locations, employees are guaranteed pay above the minimum wage required by local legislation. In the UK, Teknoware (TWUK) goes a step further, committing to Living Wage rates, which exceed the applicable statutory minimum.

57% of employees are covered by collective bargaining agreements.

B11 Convictions and fines for corruption and bribery

Across our companies, all forms of corruption, bribery, and unethical conduct are strictly prohibited under the Group Ethics Charter. In line with our target of zero convictions and fines for corruption and bribery, none were recorded across the group companies in 2025. Total fines in 2025: €0.

C1 Strategy: Business model and sustainability-related initiatives

Business model, portfolio and value chain are described on pages 4, 5–9, 15–16. Sustainability-related elements of our strategy, including ESG considerations in investment decisions and due diligence, are described on pages 12 and 14.

C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

Information on sustainability-promoting measures and practices can be found on the following pages: group-level sustainability targets on page 13, governance, the Ethics Charter and anti-corruption work on pages 18–21, inclusive recruitment on page 24, occupational health and safety on page 26, the climate transition plan on page 29 and circular economy principles and recycling targets on page 30. Responsibilities for implementation are described on page 19: the Board of Directors approves sustainability targets and oversees progress,

while the CEO and the Group Head of Sustainability lead implementation together with subsidiary CEOs.

C3 GHG reduction targets and climate transition

Group-level sustainability targets are described on page 13. Our plans to cut our carbon footprint, meaning our Climate Transition Plan, are described on page 29. Scope 1–2 greenhouse gas emissions baseline and 2030 targets are described on page 29. Scope 3 reduction targets to be set in 2026.

C4 Climate risks

Information about physical and transition climate risks identified in the group’s first climate-risk mapping are described on page 32–33.

C5 Additional (general) workforce characteristics

Female-to-male ratio at management level can be found on page 23.

C6 Additional own workforce information – Human rights policies and processes

We promote human and labour rights across all group companies in accordance with our group-wide Ethics Charter and International Labour Organization (ILO) standards. The policy enforces zero tolerance for discrimination, exploitation, child labour, and forced labour, while ensuring safe and fair workplaces.

Code of conduct / human rights policy for own workforce? YES

- covers child labour? = YES
- covers forced labour? = YES
- covers human trafficking? = YES
- covers discrimination? = YES

- covers accident prevention? = YES

Complaints-handling mechanism for own workforce? = YES (Teknoware; expansion to other companies planned)

C7 Severe human rights incidents

In line with our sustainability target of zero severe negative human rights incidents, no confirmed human rights violations were recorded among our workforce during the reporting period, and no incidents were reported to us from our value chain, affected communities, or end-users.

No confirmed incidents in our own workforce related to:

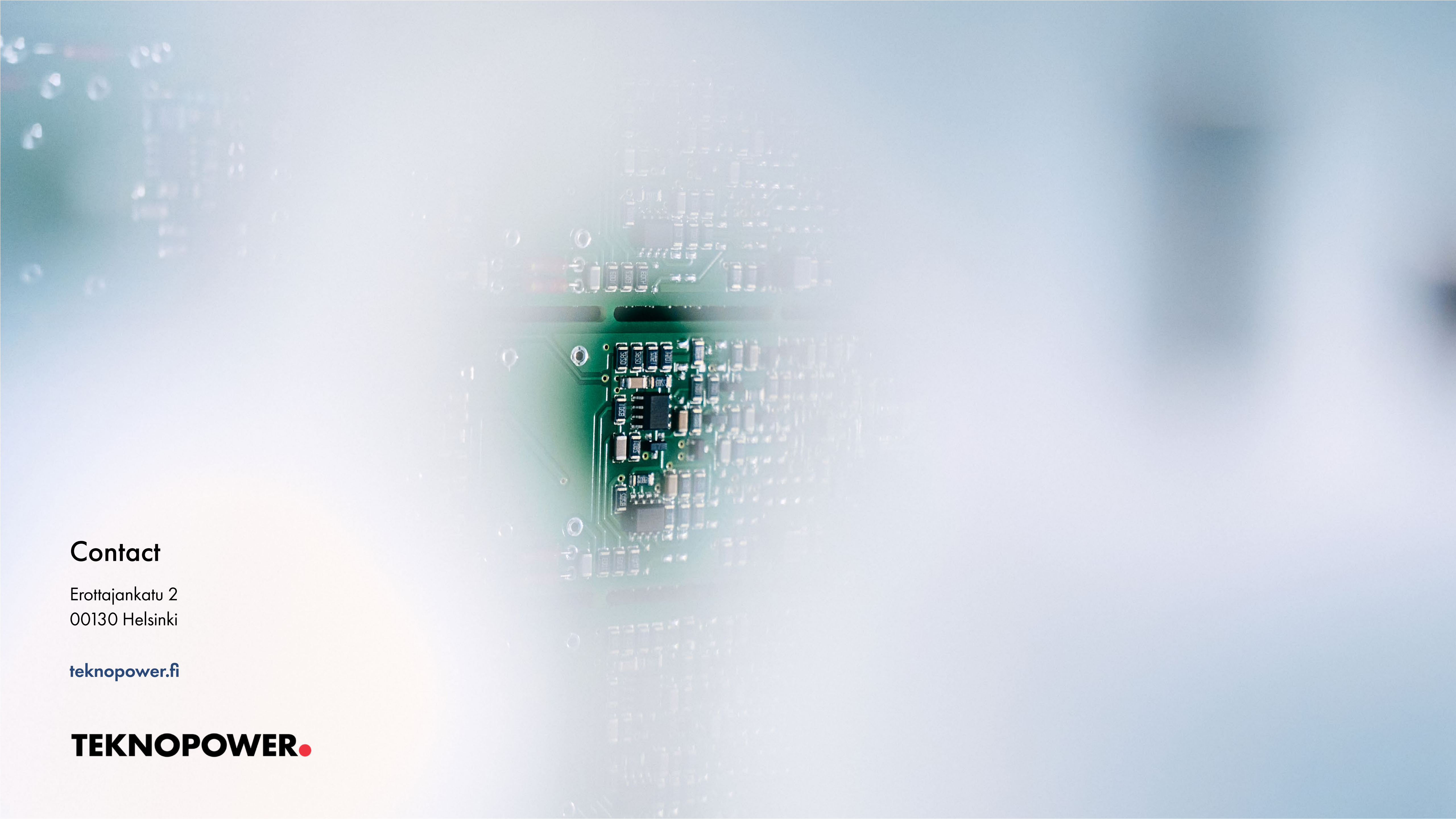
- child labour = NO
- forced labour = NO
- human trafficking = NO
- discrimination = NO

C8 Revenues from certain activities and exclusion from EU reference benchmarks

None of the group’s revenue derives from controversial weapons, tobacco cultivation or production, the exploration, extraction or distribution of coal, oil or gas, or the manufacture of pesticides and other agrochemical products. Accordingly, Teknopower is not excluded from any EU reference benchmarks aligned with the Paris Agreement under Regulation (EU) 2020/1818.

C9 Gender diversity ratio in governance body

The gender diversity ratio in the board of Teknopower can be found on page 23.



Contact

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TEKNOPOWER.