

SECTO SUSTAINABILITY REPORT

2025

secto
automotive

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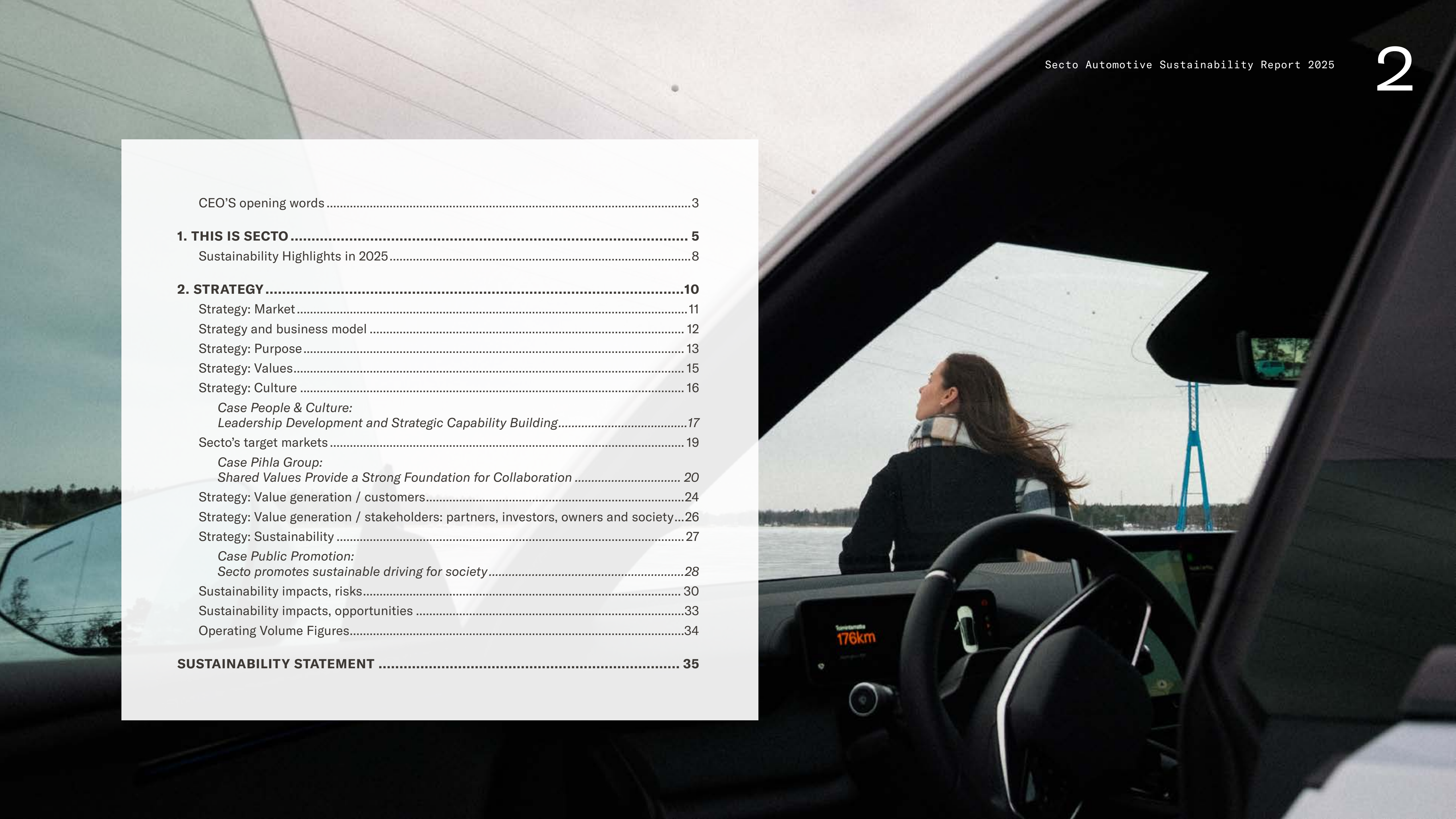
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CEO'S OPENING WORDS

EXTENDING SUSTAINABILITY BEYOND VEHICLES AND TECHNOLOGY

At Secto Automotive, sustainability means delivering an excellent customer experience, maintaining full control over the total cost of driving, and achieving measurable reductions in greenhouse gas emissions in a way that is both economically and socially sustainable. We believe that lasting emission reductions cannot be achieved through technology alone. Without transparency, predictability, and clear added value for drivers and decision-makers, progress will not scale.



»At Secto Automotive, sustainability extends beyond vehicles and technologies. It is embedded in how we lead, how we collaborate with partners, and how we build our culture.

CLIMATE CHANGE CONTINUES despite global crises and economic uncertainty. Transportation remains one of the most critical sectors in achieving climate targets; in the European Union, road transport stands out as the only major sector where emissions have increased compared to 1990. Passenger cars account for roughly 60% of road transport CO₂ emissions. This presents both a clear responsibility for the automotive industry and a powerful opportunity to drive meaningful change.

Electrification is a cornerstone of the transition and will continue to play a central role in reducing emissions. Over the past decade, the average CO₂ emissions of newly registered passenger cars in Europe have declined significantly, driven by regulation and the growing adoption of electric vehicles. However, electrification alone will not be sufficient or fast enough. For the foreseeable future, the majority of vehicles on European roads will continue to run on combustion engines. **This is why we pursue a portfolio approach to decarbonisation.**

AT SECTO AUTOMOTIVE, we reduce emissions by accelerating the electrification of company fleets where feasible, while simultaneously delivering immediate emission reductions across the existing vehicle base. We actively advance the use of low-fossil fuels, synthetic fuels, low-fossil lubricants, and low-

fossil tyres, recognising their critical role in reducing emissions without waiting for full fleet renewal.

Through our long-term Secto Rally collaboration, we have tested and analysed these solutions under demanding real-world conditions. Based on this work, we are preparing to introduce low-fossil lubricants and low-fossil tyres as part of our customer offering. This enables emission reductions also in segments where electrification progresses more slowly, such as vans, high-mileage vehicles, and specialised use cases.

At the same time, we continuously optimise emissions through smarter vehicle selection and right-sizing, data-driven fleet-level usage optimisation, and life-cycle thinking that extends beyond tailpipe emissions.

Company cars play a particularly significant role in the transition. Although they represent only a fraction of the total vehicle fleet, they act as a gateway to broader adoption of low-emission technologies, as vehicles typically enter the private market after three to four years. Improvements made in company fleets therefore create a multiplier effect across society.

SUSTAINABILITY ALSO MEANS responsible advocacy. When policy decisions risk slowing down the transition, we believe it is our responsibility to engage, contribute fact-based analysis, and

promote stable and predictable frameworks that enable long-term investment and behavioural change.

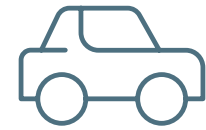
At Secto Automotive, sustainability extends beyond vehicles and technologies. It is embedded in how we lead, how we collaborate with partners, and how we build our culture. Our employees are the drivers of sustainable change, and we actively strengthen leadership practices that translate responsibility into everyday decisions.

OUR AMBITION IS CLEAR: to be a trailblazer in large-scale emission reductions and fully committed to the EU climate neutrality pathway. We aim to reduce fleet-related CO₂ emissions year by year by accelerating electrification in line with our customers' strategies, while also delivering measurable and scalable emission reductions across the existing fleet through complementary solutions beyond electrification.

We lead by example because sustainability is sound business, long-term risk management, and a competitive advantage. And because shaping a more resilient and responsible mobility system is a journey worth committing to.

Markus Vuolle, CEO, Secto Automotive

1. THIS IS SECTO



Secto Automotive is a Finnish-owned B2B car leasing service company founded in 2007. Secto is Finland’s second largest van and third largest passenger car buyer. Secto Automotive’s turnover (FAS) was EUR 235 million in year 2025.

SECTO PROVIDES ITS CORPORATE CUSTOMERS with sustainable fleet outsourcing services with controlled TCO. Our business is guided by sustainable development principles and transition to fossil-free driving. The company’s growth is fueled by hassle-free vehicle leasing and sustainability.

OUR PURPOSE IS TO SAVE DRIVING BY MAKING IT SUSTAINABLE

We have been a trailblazer in sustainable driving since 2010 – the year we leased our first electric vehicle. Just as long have we influenced public opinion and social decision-making by promoting sustainable driving. See *the case “Secto promotes sustainable driving for society”*.

Secto has built a comprehensive service package addressing previously overlooked aspects: effortless car ownership, environmental impacts of driving, and total costs of driving. We have 15 years of experience in decarbonisation. Thanks to our expertise, managing the fleet’s total costs as well as reduction of both emissions and carbon footprint can take place in a predictable and thus ideal way.

ONE OF THE CORNERSTONES of Secto’s operations is our competent staff, who enjoy their work and are known for excellent customer service. In 2024, we established together with our staff a structured, values-based one-to-one discussion model

as well as the framework for goal and development discussions. Since then we have strengthened the culture of openness and trust between managers and team members. In the discussions, team members are at the core and the focus is on enabling their success.

See the case “Leadership Development and Strategic Capability Building”.

SECTO EMPLOYEES TAKE CARE of our approximately 4,100 business customers and the life-cycle of 11,800 vehicles – starting from the assessment of mobility needs before the first car is delivered to the return of the vehicle and the purchase of the next one.

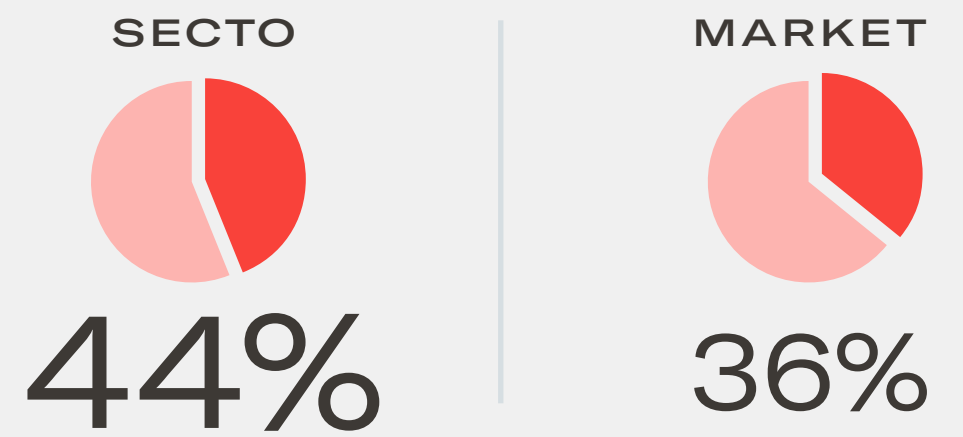
In 2025, we sold around 2,350 cars to our partners as their leasing contracts expired. Lightly used off-lease sales through our partners to companies and consumers play a crucial role in improving both sustainability and traffic safety. Every fifth passenger car on Finnish roads is either a current or former company car.

SECTO IS COMMITTED TO FINLAND’S CLIMATE GOALS

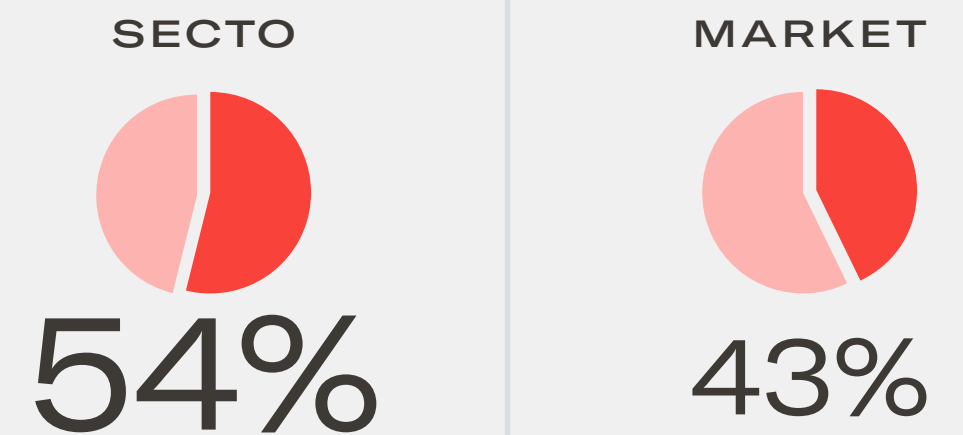
Sustainable driving has been at the core of our strategy since 2010. At Secto, our goal is to reduce fleet-related CO₂ emissions per unit as we advance our climate targets. Relative emissions are reduced year by year in line with the EU climate neutrality

SECTO IS AHEAD OF THE FINNISH MARKET

Share of electric cars in the fleet in 2025



Share of registrations of electric leasing cars in 2025



Source: Finnish Transport and Communications Agency Traficom, register of transport matters / Value Clinic.

»We provide smooth customer experience while improving the control for the total cost of driving and providing smooth transition to low-emission fleet.

pathway by accelerating electrification where feasible and delivering measurable emission reductions across the existing fleet through low-fossil fuels, low-carbon lubricants, and data-driven fleet optimisation in close partnership with our customers.

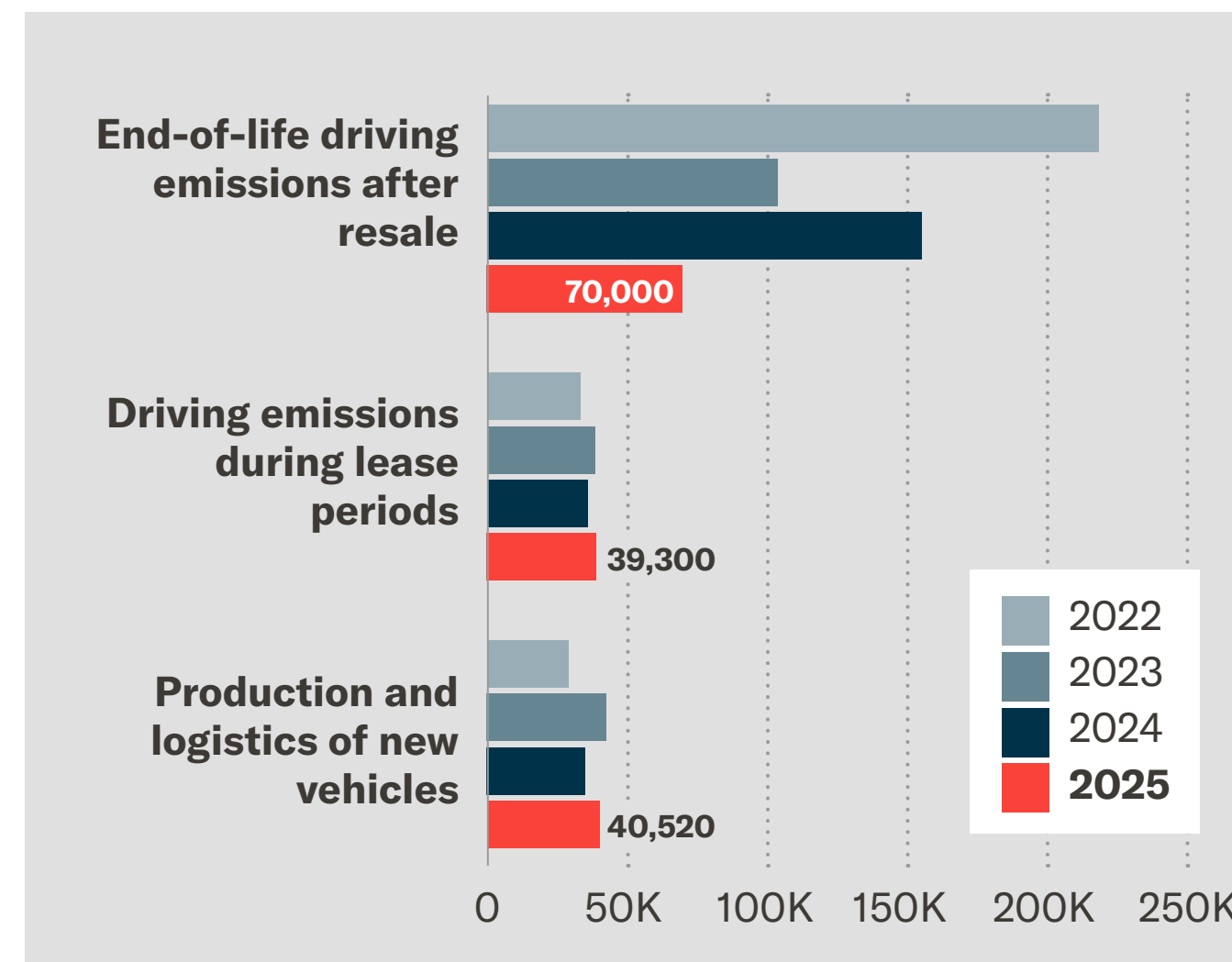
The main challenges in Finland’s EV transition are unstable market situation as well as the general economic slump. In 2025, the number of new car registrations in Finland was the lowest of the millennium (Traficom). Even though EVs are at the core of our sustainability strategy, we continuously monitor the development of other fossil-free fuel solutions. With vans, the emission reductions can be more commonly implemented by switching to synthetic diesel and by choosing vans that consume less fuel. It is also important to choose the right size of van for every purpose, as well as to optimise the use of vans at company level.

THE EU OBLIGATIONS MEAN that Finland must reduce emissions by 50 per cent from the level in 2005 by 2030. In the transport sector, the government provides financial support for the construction of charging infrastructure. For light fuel oil, there will be some increase in the distribution obligation concerning renewable fuels (Medium-Term Climate Plan 12/2025).

Secto contributes to achieving Finland’s climate goals by facilitating an easy transition to low-emission and controlled total cost driving for its customers. One significant factor in promoting sustainable driving has been the tax incentives offered for low-emission company cars, the removal of which Finnish government was considering from the autumn of 2023 till the spring of 2024.

HAD THE REDUCED TAXATION value of low-emission cars been removed, this decision would have slowed down the promising shift to low-emission vehicles and been against Finland’s ambitious climate goals. Secto engaged in active communication with decision-makers, both directly and through

»In a rapidly changing world, we follow the overall development actively and develop the knowledge of our personnel to help our customers take their next steps towards sustainable driving.



media. In the spring of 2024, the government decided to withdraw its suggestion and to continue providing tax incentives for electric company cars until 2029.

IN 2024, Secto sold the last heavy-duty vehicles from its fleet. This has decreased the emissions after resale considerably, as shown in the figure above.

Secto’s emissions are divided into three scope categories according to international standards:

- **Scope 1:** Emissions from own operations.
- **Scope 2:** Indirect emissions from acquired or purchased energy, electricity, steam, heat, and cooling.
- **Scope 3:** Indirect emissions generated in the value chain.

- **Total greenhouse gas emissions (location-based):** 149,884.16 tCO₂e
- **Total greenhouse gas emissions (market-based):** 149,843.40 tCO₂e
- **Scope 1:** 2.49 tCO₂e
- **Scope 2 (location-based):** 45.89 tCO₂e
- **Scope 2 (market-based):** 5.13 tCO₂e
- **Scope 3:** 149,893.78 tCO₂e

The biggest part of Secto’s greenhouse gas emissions is generated by our leasing fleet.

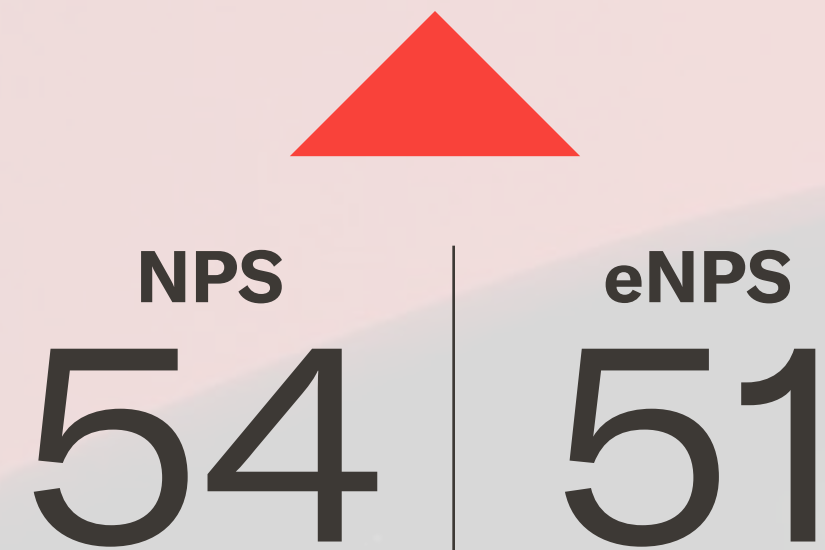
SUSTAINABILITY HIGHLIGHTS IN 2025

THE YEAR FOCUSED ON STRENGTHENING SUSTAINABILITY

1

We Build Success Together: Future Workplaces Certified

Outstanding customer satisfaction (NPS 54) and strong employee engagement (eNPS 51) show our commitment to an inspiring work environment and high-quality service. Earning the Future Workplaces certificate highlights our unique workplace culture—where people truly thrive.



2

Driving Innovative, Realistic Solutions for Sustainable Mobility

We continued to lead the way in sustainable mobility by advocating practical strategies and promoting a wide variety of options to lower CO₂ emissions. Our communications in 2025 focused on the importance of realistic approaches and total cost of ownership in corporate mobility decisions.



CO₂

The figure shows the text 'CO2' in a large, bold font. A red downward-pointing triangle is positioned below the text, indicating a reduction in emissions.

3

Leading the Way in Sustainable and Responsible Procurement

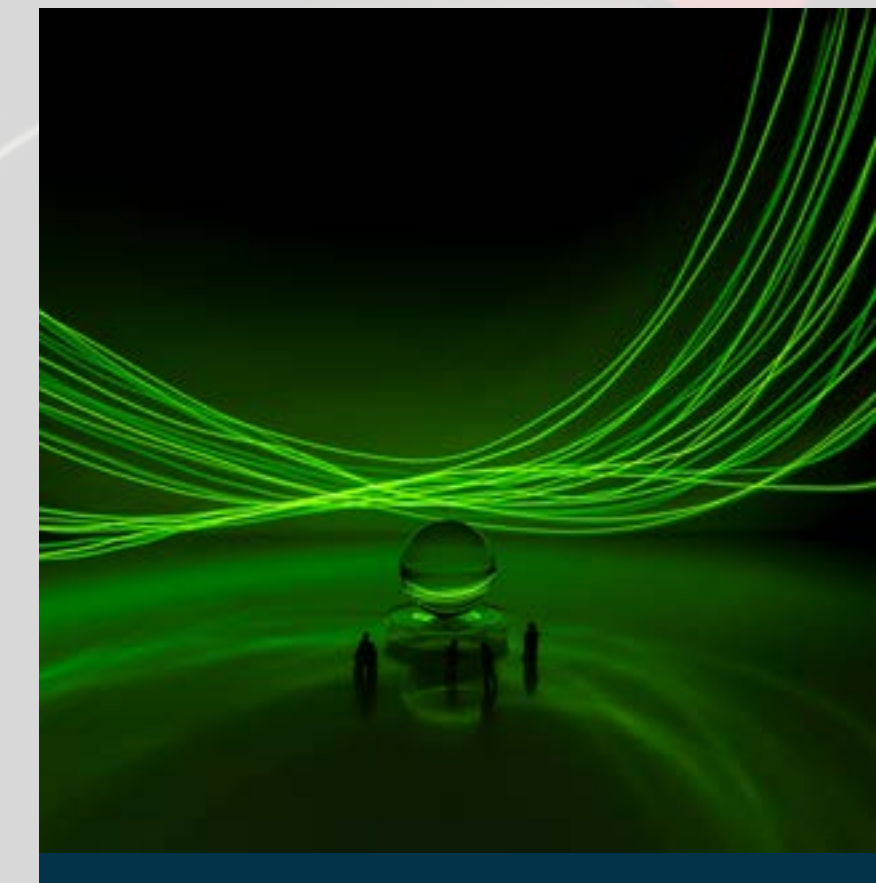
We continue to ensure responsible procurement by embedding sustainability into all tenders and contracts through a structured RFP process, promoting transparency and ethical, climate-focused decision-making.



4

Accelerate Your Fleet's Green Transition

In 2025, we enhanced our fleet solutions to reduce CO₂ emissions and optimise costs, offering advanced tools for management, reporting, and vehicle electrification planning.



SUSTAINABILITY HIGHLIGHTS IN 2025 THE YEAR FOCUSED ON STRENGTHENING SUSTAINABILITY

5

Setting the Benchmark for Secure, Sustainable Operations

Our risk management is smarter than ever – advanced systems guarantee secure controls and crystal-clear sustainability data. With enhanced KYC and accurate emissions tracking, you get reliability you can trust. Count on us for data-driven confidence and innovative decision-making.



6

See the Bigger Picture: Our Reporting Evolves with Our Values

Our sustainability reporting zeroes in on the 15 most important impacts, risks, and opportunities identified in 2025 – keeping you informed and ahead as our values guide our transparency.



7

Drive Your Fleet to a Greener Future

We're committed to cutting CO₂ emissions every year through electrification, low-carbon fuels, and smart optimization—working closely with customers for real impact. In 2025, we began setting clear, science-based climate goals (SBTi) to deliver measurable results starting in 2026.



8

Building the Capabilities That Drive Our Strategy

Developing our people isn't a project with an end date — it's how we execute strategy. We invest continuously in leadership capability, meaningful growth paths, and a culture of transparency, so that every team has what it takes to deliver on what matters most.



2. STRATEGY

SECTO STRATEGY MARKET

In 2025, about 81 million new cars were sold in the world (NielsenIQ -25). Every other car was purchased by a financing or service operator such as Secto.

SECTO'S PRIMARY MARKET IS FINLAND, where the average life-cycle of a car – from entering service to scrapping – is 22.8 years. During this life-cycle, the car's driving power plays a significant role in total traffic emissions. In 2025, 71,888 new cars were registered in Finland. 48 per cent of those were made by corporate customers.

In 2025, plug-in vehicles accounted for 78% of newly registered company cars, compared with 56% of all newly registered passenger cars. This reflects a strong shift towards low-emission mobility and supports the achievement of national and EU-level climate targets for the transport sector. For a European country, the penetration rate of electrified vehicles is high.

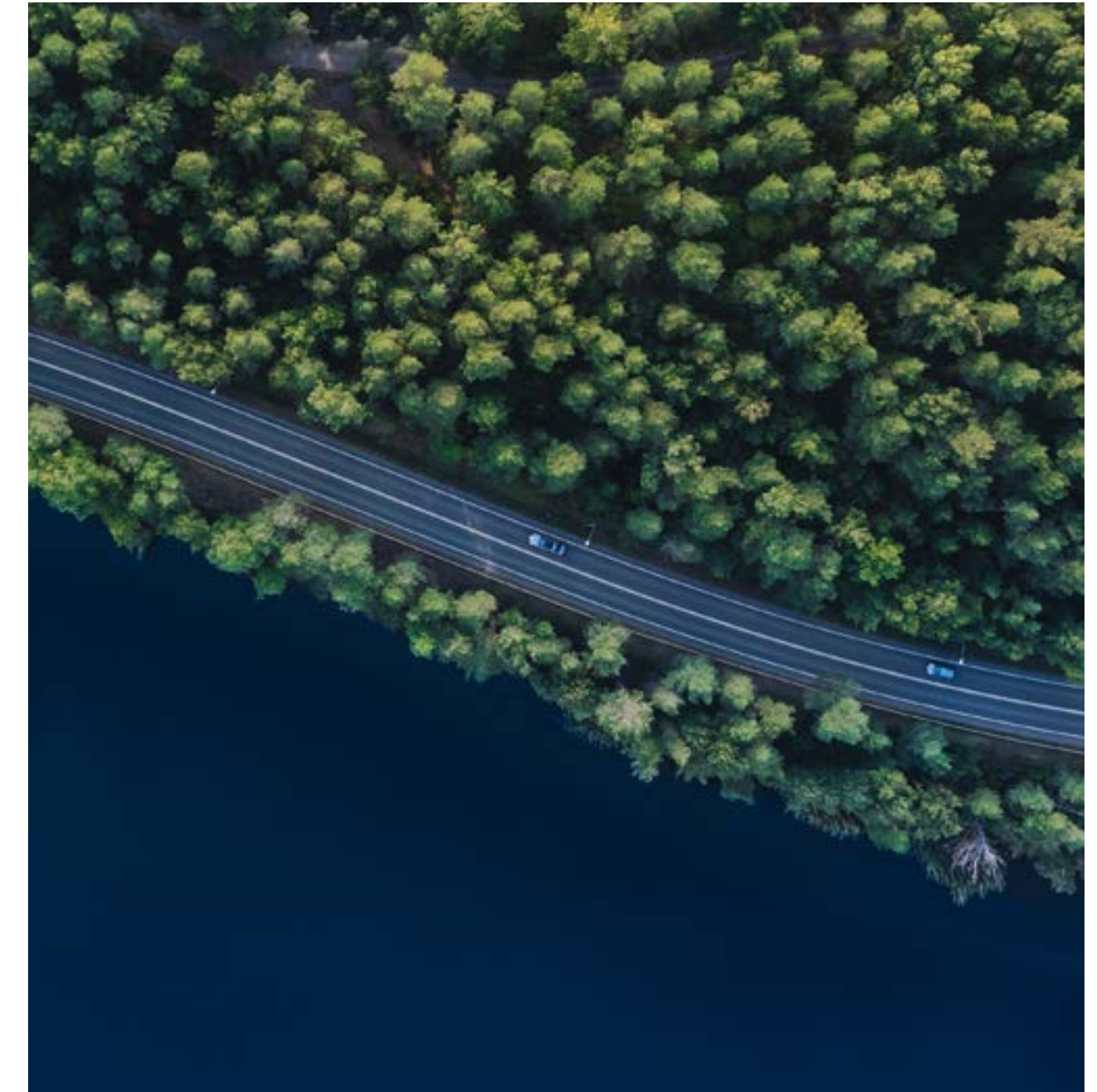
During the January–November period, battery electric vehicles represented 54% of new company car registrations, while plug-in hybrid vehicles accounted for 24%. Over the same period, battery electric vehicles constituted 36% of all newly registered passenger cars, and plug-in hybrids made up 21%. This trend contributes to the reduction of transport-related greenhouse gas emissions and supports progress towards climate neutrality objectives.

Leased cars are typically returned for resale after an average three-year lease period. They provide a quick and cost-effective

way for both consumer and corporate customers to transition to low-emission driving. Currently, every fifth car on Finnish roads is either a current or former company car. Car leasing companies are Finland's largest car buyers. This is why the types of cars that Secto and other providers offer to their customers have a significant impact on Finland's entire fleet and its emissions.

FINLAND IS COMMITTED to reducing greenhouse gas emissions and becoming carbon neutral by 2035. Reducing emissions generated by traffic plays a significant role in this effort, while decarbonisation of company cars provides a lasting benefit. In addition, low-emission driving is the most effective way for many companies to improve their environmental responsibility. It is also one of the easiest to achieve.

DURING THE LAST FOUR YEARS, Secto has changed its own company cars into fully electric ones. We want to set an example and encourage others to do the same. Drawing on our own experiences, we are better able to help our customers in transitioning to sustainable driving.






AT SECTO, CAR LIFE-CYCLE thinking means proactive management across the entire service process. We aim to prevent problems before they arise. Even as competition becomes tougher, we believe our values-based operating model gives us a unique advantage that is difficult to replicate. We continuously develop our processes, IT expertise, and services. In addition, we have developed tools to support our customers in their transition to low-emission vehicle fleets.

>> [See the visualisation on the next page](#)


STRATEGY AND BUSINESS MODEL

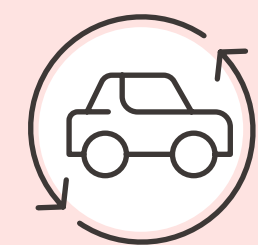
HOW WE DELIVER VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS


OUR VALUES:
The building blocks of corporate culture and affect everything we do.

- 1 EMPATHY** is our superpower 
- 2 We are TRAILBLAZERS** 
- 3 SUSTAINABILITY** is at the centre of everything 

THE PURPOSE: TO SAVE DRIVING BY MAKING IT SUSTAINABLE.


WHY?
The automotive industry needs trailblazers. The future of driving must meet the needs of both people and the environment. 


WHAT?
We're changing the way cars are used. Predictability first, with people and the environment at the centre. 

HOW?
We communicate openly about the total costs and environmental impact of driving. We offer an easily manageable and understandable service package. 

VALUE-BASED PARTNER MANAGEMENT: Responsible partners that have been selected according to our values and are renowned leaders in their respective fields, add value to our customers.



 **EMPLOYEES:** eNPS was 51, 103 people, 98% full-time workers, 97% in permanent positions, annual employee turnover rate 3%.

 **CUSTOMERS:** NPS was 54 in 2025.

Sources: The source of Secto's figures is the company's database.



SECTO STRATEGY PURPOSE

Our purpose is to save driving by making it sustainable. We set the industry standard for hassle-free and fossil-free vehicle leasing.

AT SECTO AUTOMOTIVE, our goal is to reduce fleet-related CO₂ emissions year by year in line with the EU climate neutrality pathway by accelerating electrification where feasible and delivering measurable emission reductions across the existing fleet through low-fossil fuels, low-fossil lubricants, and data-driven fleet optimisation in close partnership with our customers.

SECTO AIMS TO ACCELERATE the decarbonisation of driving. We provide companies with comparative data on the cost-efficiency of low-emission driving and make the choice of more climate-friendly vehicles easier for our customers by simulating the emissions and total cost of various models. In addition to electricity, Secto provides other driving power options, such as renewable fuel, low-fossil lubricants, and low-fossil tyres.

WE HAVE VISUALISED OUR STRATEGY (on the following page) so that all personnel can understand it the same

way and implement it more effectively in their daily work. Our employees are committed to our company values and to our strategic goal: to save driving by making it sustainable.

WE HAVE EXTENDED OUR STRATEGY period to 2030. We aim to be the market leader in B2B car leasing in Finland by 2030. Currently, Secto is a clear market leader among customers with small and mid-sized fleets, and our ambition is to seek growth among customers with larger fleets, and to increase our share of wallet with existing customers.

We have also initiated the process to commit to short-term climate targets validated by the Science Based Targets initiative (SBTi). Through this process, we will define clear, measurable, and ambitious climate targets to which we will commit starting from 2026. We will monitor our progress against our objectives and track our interest group satisfaction throughout the entire value chain with respective KPIs and a management model designed specifically for Secto.

We will report our achievements annually, using the UN

Global Compact's COP reporting system and through various sustainability statements.

THE PURPOSE OF SECTO'S SUSTAINABILITY STRATEGY is to integrate environmental, social and governance (ESG) considerations into our core business and decision-making.

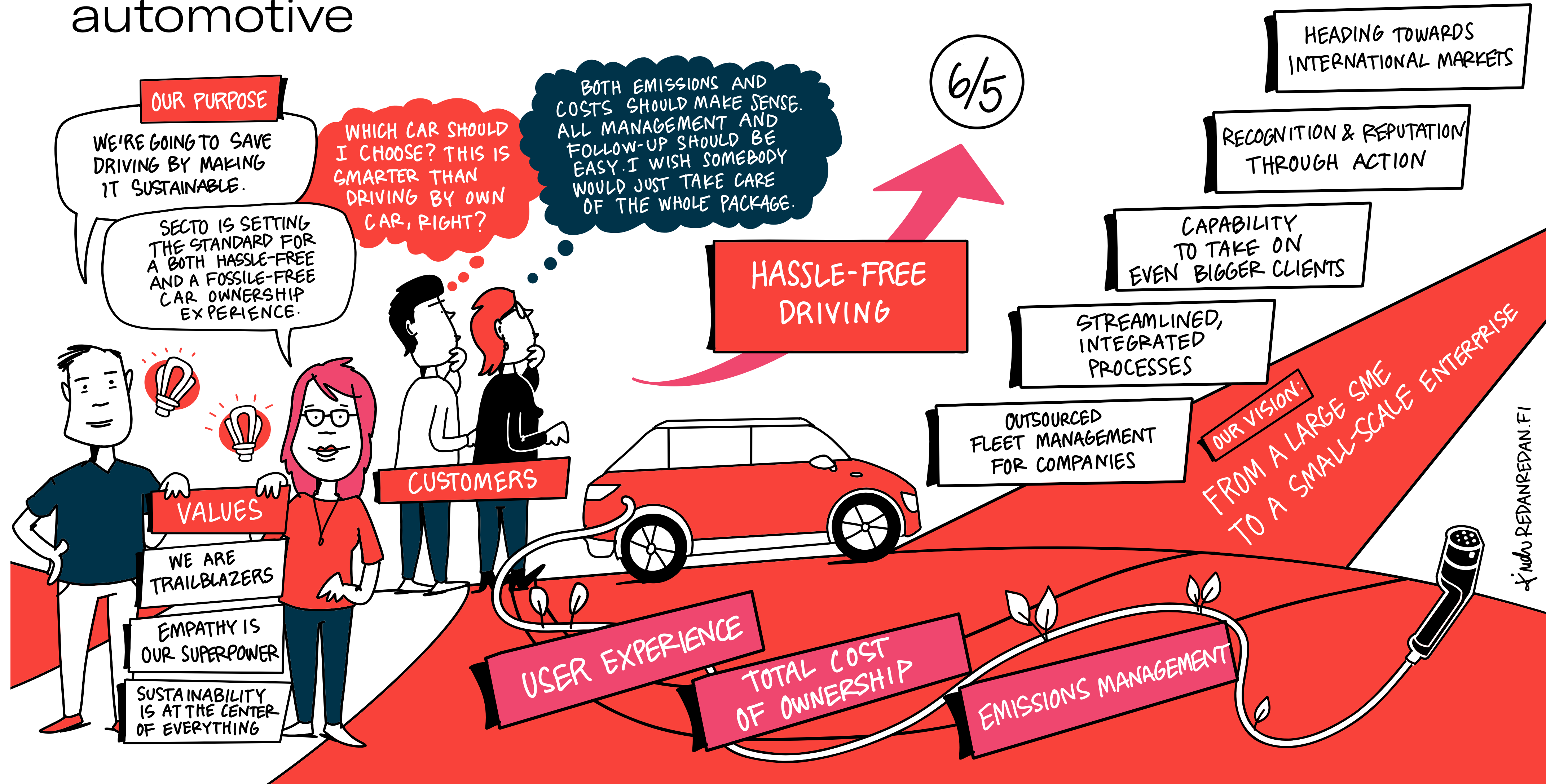
Our strategy aims to promote sustainable mobility, reduce environmental and social impacts across our operations and the entire value chain by helping our customers choose suitable vehicles and providing digital tools to support fleet management, as well as planning carbon emissions and total costs of driving. In addition, we want to ensure ethical, transparent, and responsible business practices.

At the same time, our sustainability strategy supports the creation of long-term value for our customers, employees, and other stakeholders, while helping customers achieve their own sustainability objectives.

>> See the visualised strategy on the following page.

»We aim to be the market leader in B2B car leasing in Finland by 2030.

secto automotive



SECTO STRATEGY VALUES

We believe Secto's success can be built on strong corporate values. Our values "Empathy is our superpower", "We are trailblazers" and "Sustainability is at the centre of everything" form the cornerstone for our corporate culture. They are also our most important tools for leadership.

THE ENTIRE PERSONNEL'S COMMITMENT to our values helps Secto move forward towards our strategic goals with determination. Our values also guide our daily work.

We are empathetic. We treat one another with respect and appreciation, regardless of role. We help each other succeed, sharing knowledge, removing obstacles, and showing up when it counts. We treat one another fairly and can step into each other's shoes. We listen, ask questions, and take others into account.

SECTO HAS BEEN A TRAILBLAZER in sustainable driving since 2010, and we intend to maintain this position. We are curious and bold, we operate in a broad-minded manner, and we challenge the conventions with our common sense. We recognise that commitment to change is an essential part of being a trailblazer.

WE DEVELOP OUR capabilities and operations with ambition and determination. We renew our operations with passion.

»**We dare to challenge ourselves and set our goals high.**

We operate according to our goals and metrics in the areas of environmental, social, and governance responsibility. We take responsibility for the future of driving. By doing the right thing, we aim to do good for both people and the environment.

IT IS IMPORTANT FOR US to deliver on our promises and set an example through our operations. We prioritise shared goals as well as open and loyal collaboration over individual performance. We dare to challenge ourselves and set our goals high.



SECTO STRATEGY

CULTURE (2025–2026)

During the 2024–2028 strategy period, many things will change in Secto’s operating environment. An organisation that is managed through values, and the operation of which is based on clearly defined and managed culture, moves forward towards its goals in a determined way while developing continuously.

THE WORK TO EMBED VALUES into daily practices continues through value-based 1-to-1 discussions, as well as a comprehensive leadership development journey that began in 2025, with the aim of building a more coaching-oriented leadership style at Secto. These actions have helped to clarify expectations and demonstrate what values-based behaviour looks like in practice. Insights from our annual personnel survey and team-level discussions have supported this work by helping employees articulate which issues matter most and how values are reflected in their everyday experiences. Step by step, our values have become a natural part of how we operate together.

AT THE SAME TIME, employee feedback shows that our cultural work is still ongoing. While many teams experience

strong alignment between behaviour and values, there are still opportunities to strengthen collaboration and reinforce shared ways of working. These cases do not undermine our progress; rather, they highlight that culture is a living system. A living culture requires us to address issues openly, act consistently, and strengthen the structures that guide everyday behaviour.

WE KNOW THAT CULTURE is not something that is built once, but something that must be maintained. It requires reinforcement, reflection, and a willingness to examine our own practices honestly. The structured 1-to-1 discussions introduced in 2024 will continue to support this work by bringing relevance, job satisfaction, and personal development into regular dialogue. Listening to employees and responding to their feedback helps

»Looking ahead, culture and values work will remain long-term priorities extending through 2026 and beyond.

us maintain an environment where concerns can be raised safely, and where improvements can be made collaboratively.

LOOKING AHEAD, culture and values work will remain long-term priorities extending through 2026 and beyond. As Secto grows and our operations evolve, our values remain the foundation for responsible leadership and the sense of community that defines us. Strengthening our culture means supporting our managers, engaging our teams, and ensuring that our values are visible not only in what we say, but also in how we work together every day. This ongoing work sets the stage for the next chapter of our development, where leadership capability and cultural consistency continue to evolve side by side.

CASE PEOPLE & CULTURE ///

LEADERSHIP DEVELOPMENT AND STRATEGIC CAPABILITY BUILDING

In 2025, Secto continued to strengthen leadership and people development by taking a structured, long-term approach. As our operating environment changes rapidly, clear and people-centred leadership is essential to ensure that employees feel supported, understand expectations, and have the skills needed to succeed in their roles.

CASE PEOPLE & CULTURE ///

BUILDING THE LEADERSHIP FOUNDATION IN 2025

During the second half of 2025, our primary focus in people development was to build leadership capability. We launched a comprehensive leadership development journey for all team leads and managers to strengthen consistency in leadership practices and to support a more coaching-oriented way of leading.

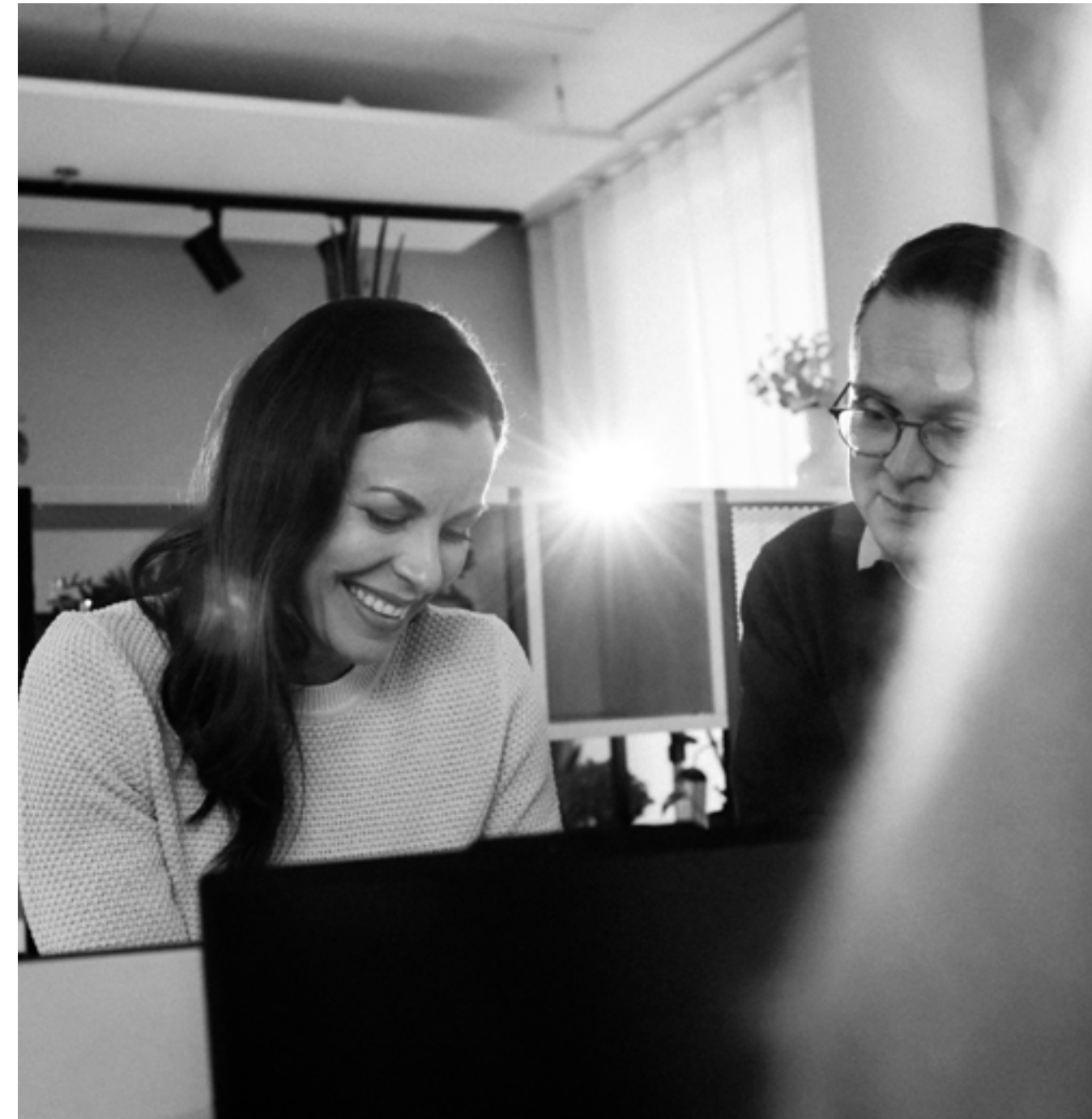
THE GOAL WAS NOT ONLY TO IMPROVE individual leadership skills, but also to create a shared understanding of what leadership means in everyday work at Secto. This work continues the effort we began in 2023–2024, when values-based leadership was established as a cornerstone of Secto’s culture. The 2025 programme deepened this foundation by bringing our values into everyday leadership decisions, conversations, and ways of working.

The leadership journey covers topics ranging from essential people management skills to more advanced coaching and strategic leadership capabilities.

Each module combines theory, reflection, discussion, and practical application. The intention is to ensure that learning translates into everyday leadership behaviours.

INTRODUCING DATA INFORMED LEADERSHIP REFLECTION

To strengthen leadership accountability, we introduced a structured reflection model at the end of 2025 as part of the coaching leadership programme. The model includes elements such as self-reflection, team member reflection, and the creation of personal development plans. By bringing together self-reflection and employee feedback, Secto gains a more balanced



picture of leadership strengths and development needs. These insights guide leaders’ individual development plans for 2026 and establish a repeatable model for ongoing leadership development.

SKILLS AND CAPABILITIES LINKED TO STRATEGY

To ensure that leadership and people development support Secto’s long-term priorities, we identified five critical strategic capabilities and thirty supporting skills. These capabilities guide

leadership development, team planning, and future skillsmapping. They are linked to our strategic focus areas, ranging from growth-related to continuous improvement and to future skills identified by the World Economic Forum.

This skills-based approach ensures that our development efforts are targeted and relevant, and are tied directly not only to current business needs, but also to the skills required to succeed in the future.

SCALING TOWARDS DATA-DRIVEN PEOPLE DEVELOPMENT IN 2026

While leadership development laid the foundation in 2025, development efforts will expand in 2026 to include all employees. Leadership development continues with structured reflection and feedback, while skills-based development will be scaled across the organisation.


AS SECTO MOVES TOWARDS more data-driven operations, priorities and actions are increasingly guided by structured insights from:

- Strategic priorities
- Ethics and monthly pulse surveys
- Participation in training
- Values-based 1-to-1 discussions, and
- Role-specific skills evaluations.

This systematic approach strengthens consistency, transparency, and alignment between strategy, leadership, and people development.

BY INVESTING IN LEADERSHIP CAPABILITY, coaching practices, and strategic, skills-based people development, Secto ensures that our personnel stay relevant, have the capabilities needed to execute our strategy, and support long-term relevance, resilience, and sustainable performance.

SECTO'S TARGET MARKETS



Secto is the second-largest buyer of vans and third-largest buyer of passenger cars in Finland. As we grow, our opportunities to save driving become better. In this way, we can help even more companies in transitioning to low-emission vehicle fleets and reducing their carbon footprint.

SECTO'S CUSTOMER BASE mainly consists of small and medium-sized enterprises (SMEs), with whom we have established a strong position as a service provider. We have identified growth opportunities both within our current SME clients and, in particular, among larger clients. An excellent customer experience, together with our processes and IT systems, enables us to scale operations to serve these larger corporate clients. In doing so, we have a significant competitive advantage, as we can provide validated emissions reporting in accordance with the requirements of the CSRD sustainability directive. This ensures that clients receive emissions reports for their vehicle fleets that meet the EU reporting requirements both now and

in the future, directly from us. Expanding into larger accounts will improve our profitability, as process maintenance costs per vehicle decrease with the growth of vehicle fleets.

SECTO'S GROWTH STRATEGY has good reasons to be successful. The needs of the coming years will differ from those of the past, requiring business operators to revise their service offerings. At the same time, the structure of car sales is going through disruption, and more manufacturers (OEM) are streamlining their supply chains. Our strategy responds perfectly to these global drivers of change. As an agile service provider, we believe we can challenge larger global enterprises in the market transformation.

We see growth opportunities also outside Finland and believe that, by utilising our competitive advantages, which have already proven successful, we have what it takes to expand into international markets.

One of our strategic objectives is to mitigate climate change by reducing emissions from driving. We provide low-emission vehicles to our leasing customers, thereby supporting the transition to more sustainable mobility. Vehicles returned at the end of their leasing contracts are resold through our partner network to both private and corporate customers. This approach contributes to lowering the average age of the car fleet in Finland, and promotes wider adoption of lower-emission vehicles.

CASE PIHLA GROUP ///

SHARED VALUES PROVIDE A STRONG FOUNDATION FOR COLLABORATION

When Pihla Group began looking for a new partner to manage its car fleet, it found much in common with the values and policies of Secto Automotive. For example, both companies are trailblazers in sustainability. This alignment of values offered a solid foundation for the collaboration.

PHOTOS: JUNNU LUSA



CASE PIHLA GROUP ///

PIHLA GROUP IS A FINNISH SUPPLIER of windows and doors. The company has production facilities in ten locations across Finland, and its products are sold under eight different brands. In 2025, the group, with its approximately 800 employees, had a turnover of EUR 120 million.

The search for a new fleet management partner began last autumn. Ultimately, Pihla Group found its match in Secto Automotive. One of the key reasons behind the decision was the shared company values. Pihla Group's stated values are: the customer comes first, courage to innovate, and proficient personnel. Secto's values, in turn, are: empathy is our superpower, we are trailblazers, and sustainability is at the centre of everything.

"The word empathy, which Secto uses, relates both to customers and employees. We recognise this way of thinking in ourselves as well. Another common denominator is that both companies aim to be trailblazers in sustainability and place great value on their personnel," explains **Marko Kohvakka**, Pihla Group's Head of HR and Sustainability.

According to Kohvakka, Secto's values are also reflected in its daily operations. "We have been working closely together, and Secto has shown genuine interest in helping us. The company has demonstrated its role as a trailblazer and its commitment to sustainability, particularly in matters related to EVs," Kohvakka says.

TOOLS TO SUPPORT SUSTAINABILITY REPORTING

When selecting a partner, companies value not only price but also the quality and breadth of services. "We're required to submit a CSRD report and to compile data on company car emissions. One of our goals at the outset of this collaboration was to make sustainability reporting less taxing for us in the future – and



CASE PIHLA GROUP ///

Secto has delivered. They have developed excellent reporting tools. Cooperation with the team managing our fleet has been continuous and mutually supportive,” Kohvakka says.

Pihla Group is part of Inwido, Europe’s leading supplier of doors and windows. As Inwido is listed on Nasdaq Stockholm, the requirements for Pihla Group’s sustainability reporting are comparable to those of a large listed company.

When it comes to sustainability, Kohvakka emphasises the importance of cooperation between different company departments. “Procurement and product development play a crucial role in reducing our environmental impact. Emissions from our own operations account for less than ten per cent of total emissions. The majority arise from our subcontractors’ production chains. That is why we aim to select materials that are as climate-friendly as possible. For example, we use low-carbon glass as well as structures made from recycled aluminium. One hundred per cent of the wooden components manufactured in Finland are made from environmentally certified wood.”

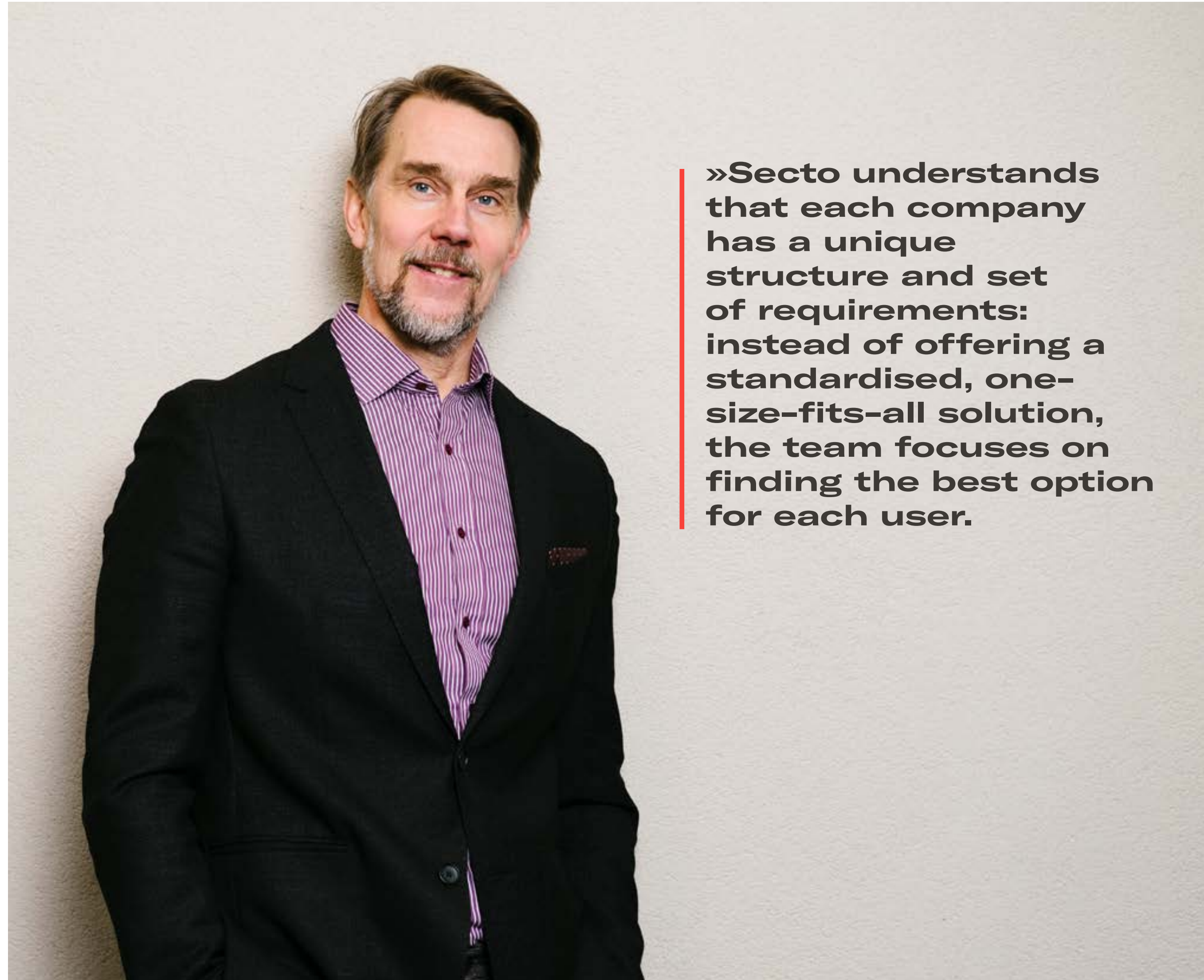
CARING FOR STAFF AND THE COMMUNITY

The CSRD report also details how a company manages its social and governance responsibilities. In line with its values, Pihla Group prioritises employee wellbeing. “Ensuring the safety of our personnel is our top priority in social responsibility. In recent years we have been very successful in this, with very few workplace incidents. Our employees enjoy their work, and our score in the Great Place to Work index, which measures employee experience, is high – 82,” Kohvakka rejoices.

Governance responsibilities include being a good corporate citizen. Pihla Group organises annual ‘Day of Good Deeds’ events at its locations, for example activities in care homes for the elderly, and supports youth sports.



CASE PIHLA GROUP ///



»Secto understands that each company has a unique structure and set of requirements: instead of offering a standardised, one-size-fits-all solution, the team focuses on finding the best option for each user.

TOWARDS MORE SUSTAINABLE DRIVING

Pihla Group's fleet consists of 51 passenger cars and eight vans. The fleet is the single largest source of emissions within the company, and Pihla Group endeavours to reduce its emissions further. "For several years, we have managed to lower our carbon emissions. Our goal is to continue reducing annual emissions by at least five per cent compared to the previous year," Kohvakka states.

Fleet emission reductions are primarily achieved by transitioning to electric vehicles. Kohvakka notes that Secto Planner (total cost of ownership (TCO) calculator) has been instrumental in this process. "The TCO allows us to see that a particular EV model might be the most cost-effective and climate-friendly choice within its category despite the higher purchase price. The simulation takes into account the car's driving power and other costs over a specific lease period. Looking at the total costs of ownership has been eye-opening and extremely useful for decision-making," Kohvakka explains.

Furthermore, Kohvakka adds that he appreciates how Secto also considers individual car users when developing a sustainable company car fleet.

"Secto understands that each company has a unique structure and set of requirements: instead of offering a standardised, one-size-fits-all solution, the team focuses on finding the best option for each user. The needs of someone driving 50,000 kilometres a year on the country roads of Northern Finland differs from those of a person driving 20,000 kilometres in urban traffic in Southern Finland. If an EV is not a realistic option, Secto finds alternative solutions to reduce emissions in these special cases."

SECTO STRATEGY VALUE GENERATION / CUSTOMERS

Delivering value to customers means that a company aims to create and offer benefits that meet customer needs and expectations. As a responsible service provider, we provide added value for our customers by producing open data related to our operations in accordance with value chain management, and by following the principles of good governance.

IN THE CONTEXT OF EVERYDAY DRIVING, Secto delivers value to its corporate clients by offering a seamless transition to fossil-free driving that is competitive also in terms of total costs. We aim to create a customer experience where fleet management is convenient, and the company car is a genuine benefit to the driver. Every corporate client and company car user has





their own contact person who knows the company's car policy. We also understand that, during the contract period, sudden and unexpected changes can easily occur. That is why a smooth, flexible service process is at the core of our operations.

We have developed several digital tools that are easy to use and suitable for companies of all sizes. They make both the transition to sustainable driving and fleet management throughout the leasing period a lot more convenient.

THE PLANNER SIMULATES the effects of changes made to a company fleet on carbon dioxide emissions and total costs of driving. The tool shows how and over what timeline the fleet's total emissions can be reduced, as well as how total costs of driving change when the company makes the transition to cars powered by a sustainable driving power solution.

The electric car comparison tool helps company car drivers

quickly find the electric cars that fit the company's car policy out of all new electric cars sold in Finland.

WITH THE EMISSION REPORTING TOOL, the company can easily compile a fleet emissions report that follows the GHG protocol. Customers can use this report in their sustainability reporting, including the CSRD report. More companies will have to include this kind of emissions report in their annual and sustainability reports. The reporting tool puts together the emissions of the entire fleet leased from Secto dividing them into Scope 1, Scope 2, and Scope 3 categories. The emissions report is validated by an independent expert.

FROM AN ENVIRONMENTAL RESPONSIBILITY perspective, the greatest benefit and value that Secto brings to its customers is the smart management of the fleet's total costs as well as the

reduction of emissions, which contributes to slowing down the climate change. The average lifecycle of cars, from introduction to scrapping, is 22.8 years. Due to this long lifecycle the choice of driving power plays a significant role in traffic's total emissions.

The environmental value of Secto's own operations is defined by our customers. The more companies we can help make the transition to cars running with low-fossil power, the greater our contribution to reducing greenhouse gas emissions.

ALREADY 50 PER CENT OF CARS administered by Secto are running either entirely or partially on fossil-free power. When it comes to commercial vehicles, the use of renewable fuel as well as the use of vans that consume less fuel are significant ways to reduce emissions. Choosing the right vehicle for each task and optimising the use of vans are equally important.

SECTO STRATEGY

VALUE GENERATION / STAKEHOLDERS: PARTNERS, INVESTORS, OWNERS AND SOCIETY

Secto's value creation for stakeholders is based on our streamlined service process and responsible operating model.

FOR CAR SUPPLIERS, Secto offers a cost-effective and efficient channel for distribution, as well as access to an advanced market interested in low-emission vehicles.

Owners and investors benefit from Secto's values-driven approach as a competitive advantage. Our values-based corporate culture is difficult to replicate. We monitor customer satisfaction

with the NPS measurements to ensure high-quality customer experience in all areas.

Our scalable service process and strong internal IT expertise provide us with the capabilities to expand our operations to larger accounts. If realised, this growth will improve our profitability, as operational costs per car decrease as vehicle fleets expand. More information about the value-generating growth potential for owners and investors is provided in the Target Markets section of the report.

SECTO'S COMMITMENT TO SUSTAINABILITY adds value to investors and owners. We believe that offering solutions

for sustainable driving adds overall interest towards us in the eyes of companies that require responsibility from partners and investment targets. An operating model that meets the requirements of ESG regulation can also help us secure financing on better terms.

We bring value to society by helping Finland reach its climate goals by decarbonising road traffic. Finland's Climate Act requires a 60 per cent reduction in emissions from 1990 level by 2030. To reach these targets, it is essential that more industry operators adopt the same responsible approach that we have taken.

SECTO STRATEGY SUSTAINABILITY

Sustainability is at the core of our business strategy. We have defined key sustainability themes by conducting a double materiality assessment, considering the requirements of stakeholders, markets, and regulations, as well as the nature of our business and its sustainability impacts, risks, and opportunities.

BY MONITORING SUSTAINABILITY IMPACTS, we aim to ensure that our actions and decisions are sustainable in the long term and do not have harmful consequences for future generations. Secto has significant opportunities to promote positive effects on the environment, as well as on people and society within our value chain.

Our emission reduction targets provide Secto with the opportunity to grow and continue to be a trailblazer in our industry.

- **Climate change:** Emission reductions and solutions for reducing our carbon footprint.
- **People and society:** Meaningful and safe work environment. Health, safety, personal data protection, and respect for human rights throughout our value chain.
- **Good governance:** Social legitimacy to operate and a culture aligned with our values.



CASE
PUBLIC PROMOTION ///

SECTO
PROMOTES
SUSTAINABLE
DRIVING FOR
SOCIETY

Secto leased its first electric car in 2010. Since then, we have actively influenced public opinion to promote sustainable driving.

CASE PUBLIC PROMOTION ///

»We develop automotive technology at the top of motor sports so that sustainable driving solutions can later be implemented in everyday transport.

SECTO HAS BEEN A TRAILBLAZER in sustainable driving since 2010. From day one, we have sought to influence public opinion and societal decision-making by promoting sustainable driving. We have established ourselves as the thought leaders in this field and have actively spoken at events related to mobility and the economy. Various media outlets regularly approach us for comments and expert statements.

IN 2025, OUR STATEMENTS and communications emphasised the need for realistic and diverse solutions to reduce carbon dioxide emissions. Alongside the transition to EVs, we need innovative solutions to optimise fleet usage, sustainable fuels and lubricants as well as research and development of other solutions that support sustainable driving.

Throughout 2025, we explained at numerous events what sustainable driving means in practice. For us and our clients, sustainability means good customer experience, managing the total costs of driving, and reducing the greenhouse gas emissions caused by driving.

ONE SIGNIFICANT FACTOR IN PROMOTING sustainable driving has been the tax incentives for low-emission company

cars. However, in autumn 2023 the Finnish government announced plans to withdraw this incentive. Secto engaged actively with decision-makers, both directly and through media. In spring 2024, the government reversed its decision and extended the tax incentives for fully electric company cars until 2029.

SECTO RALLY FINLAND STRENGTHENS OUR LEADERSHIP IN SUSTAINABLE DRIVING

Secto Automotive has been the main partner of the WRC Rally Finland for five consecutive years. For Secto, the event is an excellent opportunity to showcase sustainable driving and use motor sports as a testing platform for innovative solutions. Motor sports provides an interesting forum to demonstrate that carbon emissions can be reduced in multiple ways. While EVs are becoming more familiar to the public, few have heard of alternative options, such as electric fuel which WRC cars have been using since 2022.

MATIAS HENKOLA, FORMER CEO and current board member at Secto Automotive, gave an opening speech titled 'Saving the Car by Making It Sustainable' at the Spark The Future event

held alongside the WRC. He was also one of the panellists in the event's Sustainability Leadership Panel.

SECTO AUTOMOTIVE LABS INTRODUCES THE BENEFITS OF SUSTAINABLE DRIVING TO A WIDER MOTOR SPORTS AUDIENCE

Secto's development department, Secto Automotive Labs, researches and promotes sustainable driving innovations through motor sports. Our Labs department was the first in the world to use electric fuel on a WRC special stage in 2021 and to switch to low-fossil lubricants in 2022.

The founder of Secto Automotive Labs Matias Henkola also participated in the TALK Helsinki festival, which was held alongside AUTO 25 & Mobility Fair. The theme of the discussion was the future of motor sports in the era of the climate crisis.

IN 2025, SECTO AUTOMOTIVE LABS tested low-fossil lubricants under extreme conditions at the Rally Legend San Marino event. At the 2025 Secto Rally Finland, the Harju show runs were also conducted using low-fossil lubricants. Secto aims to transfer the results gained from motor sports to its customers while showcasing alternative options for reducing emissions.

SUSTAINABILITY IMPACTS, RISKS

OUR GREATEST IMPACTS are on climate and people. To implement our sustainability strategy, we divided our focus areas into themes, with key performance indicators (KPIs) and objectives to guide our strategic direction. By committing to these objectives, we enhance our business and contribute to addressing global challenges, such as the United Nations Sustainable Development Goals (SDGs).

FOCUS AREA	TARGET	MAIN KPIS	SDGS
CLIMATE CHANGE	SBTi, setting and achieving climate goals	<ul style="list-style-type: none"> Greenhouse gas emissions, GHG Scope 1, 2, 3 Percentage of low-emission vehicles in new lease car deliveries 	13
	Our leasing solutions help our customers reduce their environmental footprint	<ul style="list-style-type: none"> Average GHG emissions per kilometre (Scope 3.11 and 3.13) 	
PEOPLE	Ensuring a safe and meaningful work environment	<ul style="list-style-type: none"> eNPS Meaningful work environment 	8
	Health, safety, human rights	<ul style="list-style-type: none"> Occupational safety indicators Percentage of suppliers (by procurement amount) who have committed to Secto's supplier ethical guidelines 	3, 8
	Ensuring personal data privacy. Comprehensive training in AML, KYC, GDPR, and information security	<ul style="list-style-type: none"> Minimising data privacy breaches and risks associated with personal data protection Comprehensive coverage of personal e-learning paths (100%) 	16
GOOD GOVERNANCE	Acting in accordance with values and promoting an ethical organisational culture	<ul style="list-style-type: none"> Number of whistleblowing reports: We monitor what subjects are reported to the Compliance department 	16
	Social responsibility and social justification. A management method that promotes responsible and sustainable business throughout the value chain	<ul style="list-style-type: none"> Code of Conduct 100% 	10, 16

TABLE DESCRIPTION OF PRINCIPAL SUSTAINABILITY-RELATED RISKS AND UNCERTAINTIES [DATA FROM THE RISK REGISTER]:

	RISK OR OPPORTUNITY	RATING
Climate transition and GHG emissions	Opportunity / Risk	High
Environmental pollution	Opportunity / Risk	Medium
Commitment to circular economy by value chain partners	Risk / Opportunity	Medium
Employee engagement	Risk / Opportunity	Medium
Value chain impacts, environmental and social	Risk / Opportunity	High
Data and reporting	Risk	Medium

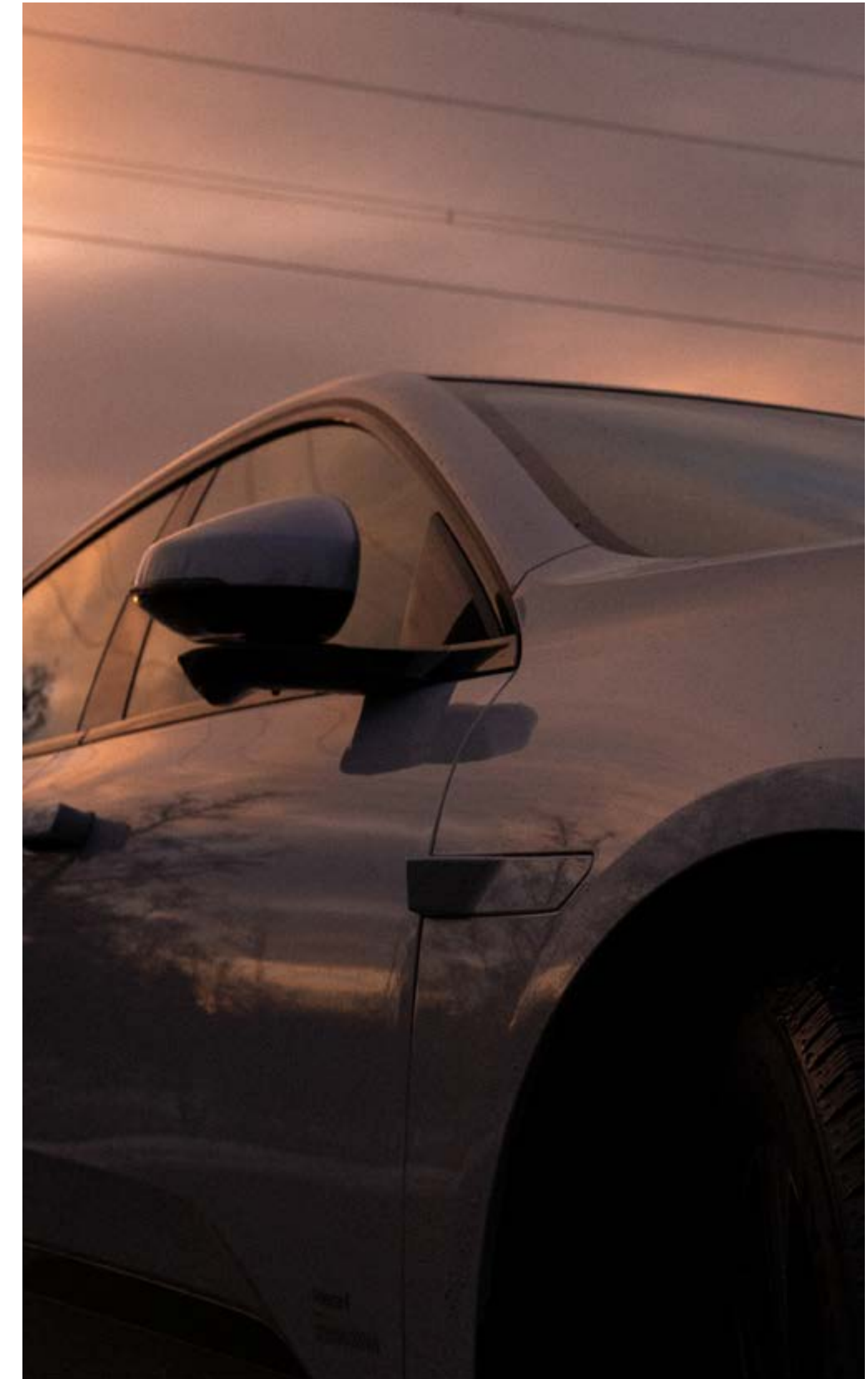
AMONG OUR SOCIAL RISKS, significant concerns include employee engagement, social risks within the supply chain, such as human rights and working conditions, and inadequate protection of personal data. Good governance practices and data availability are seen as both risks and opportunities. Secto has identified methods to manage risks or turn them into opportunities. For instance, we monitor industry-related policies and provide information to support societal influence and our customers' climate goals.

THE MAIN SUSTAINABILITY risks and opportunities for Secto relate to the transitional phase of mitigating climate change and its impact on people, including our employees, and social impacts throughout the value chain. These identified factors influence both our short-term and long-term strategies. The greatest opportunity lies in our ability to contribute to mitigating climate change by transitioning to sustainable driving.



TABLE: DESCRIPTION OF PRINCIPAL SUSTAINABILITY-RELATED RISKS AND UNCERTAINTIES

SUSTAINABILITY AREA	RISK OR OPPORTUNITY	MAGNITUDE	MEANS OF MANAGEMENT
Climate change and GHG emissions	Risk / Opportunity	High	Providing information and tools to support decision-making, transition, and emissions reporting
Environmental pollution	Risk / Opportunity	Moderate	A diverse, brand-independent selection of low-emission vehicles
Partners' commitment to promoting environmental goals	Opportunity / Risk	Moderate	Collaboration with value chain partners
Employee commitment	Opportunity / Risk	Moderate	Providing a meaningful and safe work environment
Environmental and social impacts along the value chain	Risk / Opportunity	High	Training employees on sustainable practices
Corporate culture, good governance practices, access to information	Risk / Opportunity	Moderate	Continuous development of training and reporting



SUSTAINABILITY IMPACTS, OPPORTUNITIES

The most important megatrends for Secto's business are digitalisation, through utilising technical developments, as well as combating climate change by reducing GHG emissions.

DIGITALISATION HELPS US PRODUCE better services and more accurate data for our customers' emissions reporting and improve customer experience, personnel wellbeing, as well as implement good governance. The automotive industry is transitioning towards EVs and other climate-neutral technologies, and we at Secto have been implementing these changes since 2010.

The transition to sustainable driving is inevitable; it's just a matter of how quickly it happens. Electricity became the most popular driving power among Secto's new passenger car orders as early as 2021, and this trend is continuing to rise. In 2022, 35% of our passenger car orders were fully electric, increasing to 44% in 2023, 47% in 2024, and 59% in 2025.

THE EU REGULATION ON THE DEPLOYMENT OF alternative fuel infrastructure was approved in the summer of 2023. Alternative fuel charging and refuelling stations have been deployed at a fast pace. The share of electric vehicles is expected to increase; however, the role of other technologies may remain significant for a longer than previously anticipated. (Climate Action)

In Finland, the number of electric cars grew significantly by 2025, which will increase the need for charging infrastructure. In this context, the number of public charging points is already higher than estimates made several years ago (12,000–15,000

points) for the period before 2025. (Traficom 12/2025, Latauskartta.fi)

TAXATION ALSO SUPPORTS the transition to sustainable driving. Purchase subsidies have been available for both personal and commercial vehicles. Company car users have received a discount on the taxable value of the car benefit, and new electric cars have been exempted from vehicle tax. In June 2023, discussions began about extending the tax incentives for company cars for the period of 2026 to 2029. The Finnish government proposed removing the incentive, which would have significantly slowed the growth of the EV market share and made it harder to achieve Finland's climate goals.

SECTO PUBLICLY EXPRESSED the importance of continuing the current practice. The government eventually decided to extend the tax incentive for fully electric company cars from 2026 to 2029.

REGULATIONS BASED ON ENVIRONMENTAL and social responsibility, as well as good governance also drive change. More and more companies are committed to reducing their carbon footprint, and reducing fleet emissions is the most significant way for many companies to make an impact.



OPERATING VOLUME FIGURES

DESPITE PRICE FLUCTUATIONS, electricity has proven to be a more cost-effective energy source than fossil fuels. More important than price is the value of electricity as a responsible and sustainable energy source. The efficiency of electricity is ten times greater than that of gasoline, eFuel, and synthetic diesel.

HOWEVER, WE ARE NO LONGER just talking about the electrification of transportation, but we are also monitoring the development of all fossil-free fuel solutions. For us, the electrification of vehicle fleets is not an end in itself, but rather a means to reduce the carbon footprint of transportation.

SECTO SUSTAINABILITY STATEMENT

2025

secto
automotive

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1. GENERAL INFORMATION

ESRS 2 GENERAL DISCLOSURES

BASIS FOR PREPARATION

BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

The goal of the disclosure statement is to increase transparency and comparability of information provided in Secto's sustainability report. It is prepared in accordance with ESRS standards where applicable. The sustainability statement has been prepared on a consolidated basis. The scope of consolidation is the same as for the financial statements. Secto has not used the option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

TIME HORIZONS

In this statement, the definitions of time horizons are as follows. Short-term time horizon: the reporting period in Secto's financial statements. Medium-term time horizon: from the end of the short-term reporting period up to 5 years. Long-term time horizon: more

than 5 years. These time horizons are aligned with the ESRS 1 Standard.

VALUE CHAIN ESTIMATION

Value chain metrics such as GHG emissions include data estimated using indirect sources. The reporting principles, including indicators, data sources, data gathering methodology, and assumptions, are described in the Appendix – Reporting principles.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

There are no disclosures that are subject to a high level of measurement uncertainty.

CHANGES IN PREPARATION FOR PRESENTATION OF SUSTAINABILITY INFORMATION

Secto sold the used car sales business to Kamux in 2024. Emissions regarding the used car sales business have therefore been excluded for 2024. Figures for comparative years have

also been adjusted for this change. Prior to 2025, upstream transportation emissions were included in Scope 3 – category 1. For 2025, these emissions have been separately reported in category 4. There are no prior period material errors, and no other corrections for prior periods. There were no reporting errors in prior periods. Comparative information is disclosed where it is available.

Topics E1, E5, S1, S2, S4, G1 have initially been assessed as material according to double materiality assessment. From these topics Secto is reporting only E1, S1, G1 from the year 2025 as the double materiality assessment was done at the end of the year 2025. E5, S2, S4 are considered as future reporting topics as applicable. The metrics are disclosed later in the statement in sections E1, S1 and G1. All applicable disclosure requirements of E1, S1, and G1 are answered. The scope of reporting may be changed in the later years, as a full double materiality assessment was completed in the end of the year 2025. Secto's business model is built on enabling sustainable passenger driving, so consideration of sustainability matters is embedded in our strategy, policies, and metrics.

GOVERNANCE

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Information about the composition and diversity of members of the management team and Board is summarised in the table below. Employees and other workers are not represented in the Board.

Secto manages sustainability topics with the same determination that is applied to financial matters – ESG is a financial risk and opportunity for Secto and will be managed accordingly. That is why the sustainability agenda is integrated into all levels of the organisation. Secto approaches ESG matters from three perspectives: strategy, operations, and reporting.

1. STRATEGY

The role of the Board of Directors (BoD) and top management team is to ensure strategic alignment with Secto’s mandate and direction. The Board of Directors oversees ESG topics and takes accountability for the resilience of Secto in the long-term, focusing on key ESG-related risks and opportunities. The BoD does annual revision and approval of the ESG strategy, including setting annual performance targets, as well as the performance and reporting of sustainability information.

The management team has a steering role in the sustainability agenda and the Chief Financial Officer (CFO) has the overall responsibility for ESG matters, including human rights, environment, social and labour, and anti-corruption. The management team is responsible for mitigating any identified ESG risks and identifying ESG value drivers, integrating ESG into the Secto group business strategy and that it is actioned within the business. It also approves and presents the sustainability strategy and main sustainability policies and principles to the Board for sign-off supported by the Chief Sustainability & Compliance Officer.

TABLE GOV-1. MEMBERS OF THE MANAGEMENT TEAM

	NUMBER OF MEMBERS	INDEPENDENT OF THE COMPANY	GENDER DIVERSITY RATIO
Management team	4	N/A	0%
Board of Directors	6	3	0%

2. OPERATIONS

Business units are responsible for the day-to-day interactions and activities with specific inputs into ESG activities. The finance and Procurement & Sourcing divisions are responsible for ESG-related data such as those that provide input into greenhouse gas emission calculations. The IT team ensures that all ESG-related

activities are undertaken within the information technology and security systems of Secto. Anti-money laundering operations are under the leadership of the Chief Operating Officer (COO) and ensure that all ESG-related activities are undertaken within the anti-money laundering requirements for Secto.



SYSTEMIC APPROACH FOR SECTO'S ESG GOVERNANCE



THE FOLLOWING DOCUMENTS FORM THE FOUNDATION OF SECTO'S ESG APPROACH:

- ESG policies and ESG Guidebook
- Response to DNSH and ESG impact assessment, sustainability reporting
- KPI performance
- Training and awareness
- Stakeholder engagement

3. REPORTING

Reporting-led ESG activities are run by Secto's analytics and business control teams and the CFO, with support from sustainability & compliance and technical ESG experts. Analytics and business control, head of finance, compliance, and procurement are responsible for gathering and managing data associated with key sustainability metrics. Business control monitors the progress in achieving the sustainability strategy through KPIs and supports in preparing content for non-financial information and sustainability reporting.

GOV-2 – INFORMATION PROVIDED TO, AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The Board of Directors is responsible and approves the sustainability priorities and targets and is informed annually and ad hoc as required about the sustainability policies and processes, risk management, data and reporting, and other supporting information, such as stakeholder engagement process. The executive team sets up and monitors the targets and KPIs on an annual basis and ad hoc as required.

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Secto does not have incentive schemes for members of administrative, management, or supervisory bodies. Instead, employees holding such positions are shareholders of the Secto group and commit to Secto's sustainability agenda as shareholders.

GOV-4 - STATEMENT ON DUE DILIGENCE

Due diligence process is described in several sections of the sustainability statement, as summarised in the table below.

TABLE GOV-4. CORE ELEMENTS OF THE DUE DILIGENCE PROCESS IN OTHER PARTS OF THIS REPORT

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence process	ESRS GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS 2 MDR-P
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T

GOV-5 - RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Guided by stakeholder surveys, Secto has taken a continuous approach to developing the scope and depth of sustainability reporting. The management team and the Board manage the risks related to sustainability reporting by reviewing the status annually and by incrementally increasing the level of detail even though the ESRS reporting standards are voluntary. Secto published its first sustainability report of the year 2022, and the 2025 report is following the CSRD aligned reporting practices where applicable. The main risks related to sustainability reporting include availability, accuracy, and relevance of information. These risks have been mitigated by internal control practices and external data sources such as continually widening the scope of CO₂ reporting, by involving several functions of the company to the reporting process, internal audits and by inviting stakeholders to have a say on the scope of reported material topics.

STRATEGY

SBM-1 – STRATEGY, BUSINESS MODEL, AND VALUE CHAIN

Secto’s strategy, products and services, significant markets, value creation model, and value chain are described in the previous part of the sustainability report, (disclosures incorporated by reference).

Secto’s total revenue 2025 was 235 million euros and it had 103 employees at the end of the year. The majority of the total revenue is from new passenger and light-duty vehicle leasing agreements and the minority is from the sales of returning vehicles. The transformation towards low-emission vehicles makes sustainability-related goals central to Secto’s strategy in all geographical areas. Secto’s purpose is to ensure the future of driving by making it sustainable. While Secto is not active in other

significant ESRS sectors, it is linked to the manufacturing of low-carbon technologies for transportation through its supply chain.

The taxonomy eligibility and alignment of Secto’s business activities is a key environmental performance indicator, as Secto aims to increase the ratio of low-emission vehicles. The eligibility and alignment with taxonomy are evaluated based on criteria related to the contribution of activities like “transporting by motorbikes, passenger cars, and light commercial vehicles to climate mitigation efforts”.

Secto is not active in fossil fuel, chemicals, controversial weapons, or the tobacco sector and has no revenue from fossil fuel, coal, oil, gas, chemicals production, or controversial weapons.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

To guide our ongoing sustainability focus areas and activities, we have identified and mapped stakeholders based on their influence and impact. Dialogue with the stakeholders is continual, and surveys on their sustainability-related priorities and expectations are part of the materiality assessment process.

Secto’s identified stakeholders are the end users (business clients), business partners (OEMs and other suppliers and financial institutions), finance stakeholders (creditors, banks, and current and future investors), state and municipal stakeholders, other organisations and internal stakeholders such as employees, shareholders, and board of directors. Employee surveys are considered as an important part of the feedback in materiality assessment.

We value the opinions of our stakeholders, and their interests are considered in our sustainability strategy. In the future, we will continue our active dialogue with our stakeholders. We have a stakeholder engagement plan, approved by the executive team and we will engage our stakeholders accordingly. For example, from the fall of 2024, ethics pulse for the whole personnel is

STAKEHOLDER GROUP	INTERNAL STAKEHOLDERS	FINANCE	BUSINESS PARTNERS (INCLUDING SUPPLIERS)	END USERS	STATE AND MUNICIPAL	OFFICIAL ORGANISATIONS
Stakeholders involved	<ul style="list-style-type: none"> • Shareholders • Board of Directors • Investors • Employees 	Creditors	<ul style="list-style-type: none"> • OEM'S (Suppliers) • Financial institutions (banks that cars are being sold to) • Other suppliers 	<ul style="list-style-type: none"> • Private Clients • Business Clients 	<ul style="list-style-type: none"> • Porvoo Municipality • Government agencies • Communities/Society 	<ul style="list-style-type: none"> • UNGC • Trade unions • Media
Requirement	<ul style="list-style-type: none"> • Employment income and safety/financial returns • Job satisfaction • Diverse workplace • Inclusivity • Digital growth • Employee benefits • Compliance 	<ul style="list-style-type: none"> • Financial returns • Lower CO₂ emissions and Climate Change plans 	<ul style="list-style-type: none"> • Revenues and safety • Supplier Code of Conduct and Sustainable procurement • AML & KYC, GDPR • Lower CO₂ emissions and Climate Change Plans 	<ul style="list-style-type: none"> • Product/service quality and value • Hassle free EV solutions • Safety • Satisfaction • Lower CO₂ emissions and Climate Change Plans 	<ul style="list-style-type: none"> • Taxes and GDP and health, safety, economic development • AML • GDPR • Laws and Regulations 	<ul style="list-style-type: none"> • Compliance • Setting specific targets • Lower CO₂ emissions and Climate Change Plans

conducted regularly. In addition, Secto has strengthened its internal auditing to serve as a meaningful channel for employee input while ensuring compliance across the organisation.

SBM-3 - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material impacts, risks and opportunities, as well as the resilience of the business model are detailed in the previous parts of the report (incorporated by reference). The material topics identified according to our assessment are:

- **Climate transition.** GHG emissions and solutions for reducing the carbon footprint of driving
- **People and society.** Meaningful and safe working

environment, health, safety, data security, and human rights in the value chain

- **Corporate governance.** Social license to operate. Value based corporate culture

MATERIALITY ASSESSMENT PROCESS

At Secto, we have conducted double materiality assessment to concentrate on the most material sustainability topics in our reporting, following the requirements set in European sustainability reporting standards (ESRS). This iterative process was based on five work phases during Autumn 2025:

- Defining Secto's value chain in terms of upstream, own operations and downstream and identify actors, activities, and dependencies that are sources of impact, risk, and opportunity (IROs).
- Identifying a long list of impacts, risks and opportunities

of Secto's value chain on sustainability, key sustainability issues for stakeholders and financial dependencies. Sustainability topics defined in ESRS 1 AR 16 were considered in the process of identifying IROs. Identification was based on internal discussions and a workshop, utilizing existing understanding on Secto's business and its impacts. Risks and opportunities were identified, in turn, based on impacts and dependencies. The known priorities of stakeholders informed the process of creating IROs.

- Assessing the impacts identified by Secto against the threshold values of severity and likelihood and document the assessment. The assessment criteria used included scale, scope, and irremediable character (for negative impacts), as well as likelihood (for, negative and positive potential impacts). Impact was deemed material if it exceeded threshold value for at least one assessment criteria. For potential impacts, the likely time horizons were also defined. Secto used standard time horizons given in ESRS 1.

- Assessing the materiality of the risks and opportunities identified by Secto Automotive against the threshold values and documenting the assessment. Based on the company's current risk assessment procedures, the sustainability-related risks and opportunities were assessed against the threshold set for net cash flow. Risk or an opportunity was deemed as material, if exceeded the set threshold value. When assessing risks and opportunities, the likely time horizons were also defined. Secto used standard time horizons given in ESRS 1.
- Final and critical review of the assessment of Secto Automotive's materiality and confirm the material topics for reporting, to ensure only truly material topics continue into reporting.
- The DMA process was conducted by Secto Automotive's core project team with external experts' support. The assessment process was conducted in an outsourced Double Materiality Assessment tool.
- As a result, we at Secto were able to locate 15 material IROs across 6 sustainability topics. These are introduced on page 46. The IROs were introduced to Secto Automotive's Management and Board which approved the results of the assessment.
- DMA process is one of Secto's objectives and key results processes (OKR) and DMA will be part of the decision-making process in the future, especially considering the general target setting processes.

Before the double materiality assessment was conducted in 2025 Secto conducted the first materiality assessment in 2022 and reviewed it in 2023. At the time we took the following steps as part of the process:

- 1) Identification of all potentially material topics and creating a long list for consideration.
- 2) Prioritisation of the topics by categorising them and assessing their applicability to Secto. The main considerations were strategic importance to Secto, expected importance to stakeholders, and the social,

economic, and environmental impact of each topic in the value chain.

- 3) Performing stakeholder engagement activities with several stakeholder groups as part of materiality assessment.
- 4) Validation of the selected material topics based on stakeholder dialogue combined with engaging management.

THE ASSESSMENT WAS DONE ON THE FOLLOWING BASIS:

- Market requirements, including regulatory requirements
- Secto's own business context, including external commitments such as OECD guidelines for multinational enterprises (MNE), UNGPs, the eight conventions on fundamental principles and rights at work, and the international bill of human rights
- Stakeholder expectations
- Impacts of Secto's own operations (and impacts in the value chain) to the environment and people, and the effect of sustainability-related risks and opportunities to Secto's business development

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

IRO-1 - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

Principal sustainability-related risks and opportunities are described in the sustainability risks and opportunities part of the report. The risks and opportunities are interdependent as, for example, employee engagement helps drive climate transition through Secto's business, but the ability to drive climate impact

also increases the meaningfulness of the work.

Secto has an extensive risk and opportunity management process where sustainability risks and opportunities are assessed together with all other risks. The compiled risk register is based on insight from own operations and stakeholders, and it is reviewed by management and board annually. The risks and opportunities are categorised according to likelihood, scope, and scale and for the sustainability risks and the potential irremediability of the risk has been considered. The scope of risks and opportunities considers the whole value chain from suppliers and partners to customers and end-use. The management approach to risks focuses on identification, mitigation, and assessment of residual risks. Sustainability risks and opportunities within the complete risk register were separately screened with the main categories of risks in the frameworks of TCFD and physical climate risks in EU Taxonomy to ensure no significant risks were left unidentified.

Secto's activities are performed in a limited geographic zone, but the risk review included the value chain perspective. Each risk or opportunity has a responsible person, and the mitigation activities are managed by Secto management throughout the business activities.

TOP SUSTAINABILITY RISKS AND OPPORTUNITIES OF SECTO PRESENTED IN THE SUSTAINABILITY RISKS AND OPPORTUNITIES SECTION INCLUDE:

- Contribution to or mitigation of climate change through leasing of high versus low-emission vehicles
- Potential human rights issues or negative social or environmental impacts in the supply chain

IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

The list of ESRS disclosure requirements complied with in preparing this sustainability statement can be found at the end of this statement. When preparing this sustainability statement, we have estimated the material ESRS disclosures to be E1, S1, and G1. In 2025 conducted double materiality assessment showed that also E5, S2, S4 could be considered as material in the later years of sustainability reporting for Secto Automotive Oy.

TOPIC	SUB-TOPIC	IRO	CATEGORY
E1	Climate change mitigation	Choosing a high-emissions car and emissions from driving	Actual negative impact
		Emissions from production of cars	Actual negative impact
		Steering clients towards sustainable car choices and use	Actual positive impact
		Emissions from software development	Actual negative impact
		Offering sustainable solutions for customers in collaboration with responsible partners	Actual positive impact
		Thought leader's impact on sustainable mobility, clients and decision makers	Actual positive impact
E5	Resource outflows related to products and services including resource use	Product lifecycle extension, including resource efficiency in recycling	Actual positive impact
		Poor recycling practices (including batteries) and unsustainable product choices	Potential negative impact
S1	Working conditions	Supporting the comprehensive well-being of employees	Actual positive impact
	Equal treatment and opportunities for all	Equal treatment, including ethical practices, and diversity enhances employee well-being and creativity	Actual positive impact
S2	Working conditions	Possible labour conditions in value chain (direct and indirect suppliers)	Potential negative impact
	Other work-related rights	Possible human rights and labour rights violations in value chain (direct and indirect suppliers)	Potential negative impact
S4	Information-related impacts for consumers and/or end-users, Privacy	Compromise of customer privacy and data protection	Financial risk
G1	Corporate culture	Responsibility based decision-making	Actual positive impact
	Management of relationships with suppliers including payment practices	Vulnerability of data infrastructure	Financial risk

MDR-P – POLICIES ADOPTED TO MANAGE MATERIAL SUSTAINABILITY MATTERS

Secto has sustainability related policies that outline the overall intentions and direction for how the company manages the material sustainability matters. The basis for other sustainability related policies is the ESG Policy, which describes Secto's intentions and relationship with the environment and the society. Under the ESG Policy, there are three other policies which cover the aspects, intentions, and actions in more detail:

- 1) Environment and Climate Change Policy describes the approach to managing environmental risks and opportunities and addresses climate change.
- 2) Social and Labour Policy describes Secto's approach to complying with societal and employee related principles.
- 3) Human Rights Policy describes our approach to managing our impact on specific internal and external groups.

The responsible business principles are laid out in our Code of Conduct and the Supplier Code of Conduct, which addresses the main content of the policies but also, for example, anti-corruption and bribery, competition laws, financial integrity, privacy, conflicts of interest, and anti-money laundering.

MDR-A – ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

Actions taken and planned to be taken in relation to the material sustainability matters in short term and long term are described in sections E1, S1, and G1. Resources including financial (Capex and Opex) currently allocated to the action plan are part of the annual planning of Secto and responsible persons to the action plan are the same as the responsible persons of those functions in the management team. As sustainable actions towards sustainable and hassle-free driving are the very core of Secto's

strategy, the investments for climate and the environment are embedded in the entire financial planning and strategy.

METRICS AND TARGETS

MDR-M – METRICS IN RELATION TO MATERIAL SUSTAINABILITY MATTERS

The main metrics in relation to material sustainability matters are described here in three groups: 1) metrics on impacts, risks, and opportunities related to the environment and climate change, 2) metrics related to the social impacts, risks, and opportunities, and 3) metrics related to governance. 2025 sustainability data is not yet validated or assured by an external body.

Environmental metrics include the total carbon footprint and separately the scopes of GHG emissions from own operations and value chain, energy use, share of renewable energy, and revenue from taxonomy-aligned activities. Status, actions, targets, and trends of environmental metrics are described in the E1 section of the report.

Social metrics include total headcount including and excluding board, employee satisfaction eNPS, and safety metrics (days lost to accidents, number of injuries, lost time incident frequency (LTIF) and total recordable incident frequency (TRIF), days lost for work-related illnesses, percentage of employees covered with collective agreements, percentage of employees in trade union or other worker's association, unadjusted pay gap and number of recorded incidents of discrimination, and complaints or grievances). Social metrics are presented in section S1 of the report.

Governance metrics include board gender diversity. Governance metrics are presented in section G1 or the report.

MDR-T – TRACKING EFFECTIVENESS OF POLICIES AND ACTIONS THROUGH TARGETS

Secto has set specific numeric annual, short-term, and long-term targets to some of the metrics described above. To some of the other targets, Secto's policy and intention describes the goal as either zero or 100%, for example, as in aiming for zero discrimination, zero safety incidents, or high eNPS. Alignment of stakeholder expectations with the targets was ensured by stakeholder dialogue in 2023. Detailed description of targets, methodologies, and performance is in sections E1, S1, and G1 of the report.

DISCLOSURES INCORPORATED BY REFERENCE

The following information is incorporated by reference to other parts of the sustainability report:

- ESRS 2 SBM1 - Market position, strategy, business model, and value chain
- ESRS 2 SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model
- ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks, and opportunities
- ESRS E1-4 Targets related to climate change mitigation and adaptation

2. ENVIRONMENTAL INFORMATION

ESRS E1 CLIMATE CHANGE

GOVERNANCE

ESRS 2 GOV-3 INTEGRATION OF SUSTAINABILITY RELATED PERFORMANCE IN INCENTIVE SCHEMES

Secto does not have incentive schemes for members of administrative, management, or supervisory bodies. Instead, employees holding such positions are shareholders of the Secto group and commit to Secto's sustainability agenda as shareholders.

STRATEGY

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Secto has started preparing its transition plan for climate change mitigation. Secto is aiming to commit to Science-Based Targets (SBTi) and the process is still ongoing. Secto will report its Scope 1, 2, and 3 targets and transition plan when the targets are validated. The target validation has taken place during 2025 and will be completed in 2026.

ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Secto has identified climate-related transition and physical risks in the Risk and Impact Register, but it hasn't conducted a separate climate scenario/resilience analysis yet. The most material climate-related risks are GHG emissions, climate transition, and environmental pollution.

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

Secto has an extensive risk and opportunity management process where sustainability risks and opportunities are assessed together with all other risks. The compiled risk register is based on insight from its own operations and the stakeholders, and it is reviewed by management and board annually. The description of the process can be found in ESRS 2 IRO-1.



E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Secto has an Environmental and Climate policy to outline the overall intentions and direction of how the company will relate to its effect on the environment. All decisions and actions taken by the organisation must be consistent with and designed to accomplish the commitments made in the Environmental policy. The Environmental and Climate policy applies to all activities, employees and operations within Secto.

Secto's overall environmental aim is to create value in our operations by managing our environmental impact. These practices are integrated into Secto's day-to-day activities and practices to contribute to achieving sustainable development. To do this, Secto aims to understand what our impact is on the surrounding environment and what our significant environmental issues and risks are.

To achieve the above, some key environmental matters have been identified as being material to Secto's sustainability and will be the focal point of this policy and of supporting policies and plans. This was determined by assessing Secto's key activities as well as ensuring adherence to legal and constructive obligations and compliance with the Principal Adverse Impact (PAI) Indicators, the Do No Significant Harm principles, the United Nations Global Compact Principles and OECD Guidelines for Multinational Enterprises). These material matters include:

- Our GHG emissions (focusing on the emissions associated with the leasing of vehicles)
- Our renewable energy mix: gradually transitioning our fleet to electric vehicles to increase our share of renewable energy via charging electricity and to reduce our overall carbon footprint
- Waste management, reducing the amount of waste we produce, and managing the activities associated with waste management (such as recycling)

We further aim to take the necessary steps to cease or prevent our current impact through mitigation activities.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Specific activities that will be undertaken in relation to our Environmental and Climate policy includes:

- In order to achieve the long-term temperature goal, set out in Article 2 [of the Paris Agreement], we will track and report on our emissions to help expedite emission reduction efforts in line with global targets, and can further help Secto manage risks and opportunities. In this instance our focus will be on our Scope 3 emissions, with a special focus on emissions associated with our vehicle leasing activities.
- We will focus our efforts on increasing our mix of EVs within our leasing portfolio. This will also be beneficial in contributing to a greater mix of renewable energy throughout our operations and to encourage the development and diffusion of environmentally-friendly technologies. We will further look to do so through exploring potential new and efficient technologies to achieve sustainable development.
- We will consider the potential impacts of climate change on our operations and determine whether we need to consider putting adaptation measures in place.

TABLE E1-5. ENERGY CONSUMPTION AND MIX

ENERGY CONSUMPTION AND MIX	2024	2025
Fuel consumption from coal and coal products (MWh)	–	–
Fuel consumption from crude oil and petroleum products (MWh)	28.2	13
Fuel consumption from natural gas (MWh)	–	–
Fuel consumption from other fossil sources (MWh)	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	5.3	252
Total fossil energy consumption (MWh) (calculated as the sum of lines 1–5)	33.5	265
Share of fossil sources in total energy consumption (%)*	8	65
Consumption from nuclear sources (MWh)	141.8	0
Share of consumption from nuclear sources in total energy consumption (%)*	36%	0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	4.4	–
Consumption of purchase or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	201.2	141
The consumption of self-generated non-fuel renewable energy (MWh)	–	–
Total renewable energy consumption (MWh)	205.6	141
Share of renewable energy sources in total energy consumption (%)*	52	35
TOTAL Energy consumption (MWh)	397.3	406

METRICS AND TARGETS

E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The main target related to climate change mitigation and adaptation is to set and achieve science-based climate targets covering Scope 1, 2, and 3, to which Secto is committed to.

E1-5 – ENERGY CONSUMPTION AND MIX

Since July 2023, all consumed electricity has been renewable in Secto's premises. In 2025 all electricity used in Secto's premises was produced by hydroelectric power. Regarding the heating energy's energy sources, Secto is dependent on the choices and decisions of property owners in our rental premises. Secto actively strives to influence the transition to renewable heating energy sources for these premises.

*) Because of the classification method, the total sum of fossil energy, nuclear energy and renewable energy is not 100%, as part of the energy is produced from sources that are not included in any of the above. For example, heat recovery or electricity as a heating source are that kind of other energy sources.

E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Secto has calculated its greenhouse gas emissions starting from 2022. The calculation follows the international greenhouse gas protocol standard and is conducted using operational control. The calculation comprehensively includes the essential emission-causing actions for Secto's operations. In 2025 calculation, upstream transportation and distribution emissions were separated from purchased goods and service emission.

Scope 1 emissions have decreased by 94.5% compared to 2022 as almost all Secto's company cars are now electric. This in turn has raised Scope 2 emissions, however, only very minimally.

In 2025 emissions from purchased goods and services grew due to an increase in new leases. However, driven by fleet electrification, use of sold products emissions decreased by 55%, contributing to a 34% drop in the company's total Scope 3 emissions. Other indirect Scope 3 emissions play a minimal role in the total emissions.

TABLE E1-6. GHG INTENSITY

GHG INTENSITY	BASE YEAR 2022	COMPARATIVE 2024	COMPARATIVE 2025	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO₂eq/€)	1,221.56	1,197.64	640.46	-47%
Total GHG emissions (market-based) per net revenue (tCO₂eq/€)	1,221.66	1,197.60	640.28	-47%

GHG INTENSITY	BASE YEAR 2022	COMPARATIVE 2024	COMPARATIVE 2025
Net revenue used to calculate GHG intensity	230,044,456€	189,292,522€	234,027,394€
Total net revenue (in financial statements)	410,467,898€	241,031,032€	234,027,394€

Secto Automotive Oy Finnish Accounting Standards (FAS) net revenue excluding the used car sales business and adjusted for passthrough items, such as leasing rent was used to calculate GHG intensity. This revenue is used for comparability of year-over-year emissions.

TABLE E1-6 GROSS SCOPE 1, 2, 3, AND TOTAL GHG EMISSIONS

	RETROSPECTIVE			
	BASE YEAR 2022	COMPARATIVE 2024	COMPARATIVE 2025	N% N / N-1
SCOPE 1 GHG EMISSIONS				
Gross Scope 1 GHG emissions (tCO ₂ eq)	129.95	7.14	2.49	-65%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%
SCOPE 2 GHG EMISSIONS				
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	36.86	36.06	45.89	27%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	15.41	28.83	5.13	-82%
SIGNIFICANT SCOPE 3 GHG EMISSIONS				
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	280,868.75	226,660.25	149,835.78	-34%
1) Purchased goods and services	29,359.20	35,386.00	37,500	6%
3) Fuel and energy-related activities	36.65	23.16	1.52	-93%
4) Upstream transportation and distribution	–	–	3,020	N/A

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GROSS SCOPE 1,2,3 AND TOTAL GHG EMISSIONS	RETROSPECTIVE			
	BASE YEAR 2022	COMPARATIVE 2024	COMPARATIVE 2025	N% N / N-1
5) Waste generated in operations	0.03	0.01	0.36	3,500%
6) Business travelling	27.19	18.04	13.9	-27%
11) Use of sold products	217,906.60	154,963.73	70,000.00	-55%
13) Downstream leased assets	33,539.08	36,269.32	39,300.00	8%
Total GHG emissions (location-based) (tCO₂eq)	281,014	226,703	149,884.16	-34%
Total GHG emissions (market-based) (tCO₂eq)	281,036	226,696	149,843.40	-34%

E1-7 – GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

Secto doesn't apply GHG removals or finance GHG mitigation projects through carbon credits.

E1-8 – INTERNAL CARBON PRICING

Secto doesn't apply internal carbon pricing schemes.

E1-9 – ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES

Climate transition is a business opportunity for Secto, as Secto is committed to enabling low-emission vehicles.

3. SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

STRATEGY

ESRS 2 SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

Secto's approach on stakeholder engagement is described in ESRS 2 SBM 2. The own workforce of Secto is a key group of affected stakeholders and for example employee surveys are considered as a part of the feedback in materiality assessment.

ESRS 2 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES, AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Secto's own workforce is material for Secto in all aspects, and the social and human rights aspects covered are presented in table below. The expected behaviour in social and human rights matters is described by Secto's policies and Code of Conduct, which engages all employees in acting responsibly and increases

awareness of all employees related to our policy commitments for responsible business conduct with regards to topics such as work-life balance, non-discrimination in respect of employment, skills development, and occupational safety and health. As disclosed in section IRO-1, own workforce related opportunities and risks are among the highest and therefore the actions related to both employee engagement and human rights are key to Secto.

TABLE S1-SBM-3. IMPACTS, RISKS, AND OPPORTUNITIES WITH REGARDS TO SECTO'S OWN WORKFORCE

SOCIAL AND HUMAN RIGHTS MATTERS	IMPACTS, RISKS, AND OPPORTUNITIES WITH REGARDS TO SECTO'S OWN WORKFORCE (Guidance: Non-exhaustive list of factors considered in the materiality assessment)
Secure employment	3% of employees have temporary contracts. 7 non-employees in 2025. Employees are supported in terms of secure employment by company practices and Finnish law. Social protection and secure employment are accomplished by complying to Finnish laws.
Working time	3% of employees have part-time contracts. Secto's intent is to offer full-time fixed contracts. Part-time contracts are offered only for sound reasons, such as temporary substitution.
Adequate wages	Finnish legal definitions are fully complied with. Secto is not an employer union member, but follows the industry binding collective bargaining agreement on adequate wages, fair wages, and minimum wages. There are exceptions to these, but exceptions are always improvements to employees compared to the requirements.
Social dialogue / work councils / information, consultation, and participation rights	Work safety representatives are elected by the employees to represent them in social dialogue. Work safety council has a role in enabling the participation of workers and it has representatives from the workforce and the employer.
Freedom of association/ collective bargaining	Secto follows the industry binding collective bargaining agreement. Everyone has the right to join a union. Secto does not require information regarding employee's union membership.
Work-life balance	Flexible working hours are the common practice at Secto. Paid parental leaves are offered beyond the requirement by law or TES. Paid fatherhood leave duration is 14 days. Paid motherhood leave duration is 3 months. Total leave time is as according to the law. Employees receive financial allowance from the Finnish Social Insurance Institution for the remaining duration of the parental leave. Access to childcare is available from municipal service providers.

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TABLE S1-SBM-3. IMPACTS, RISKS, AND OPPORTUNITIES WITH REGARDS TO SECTO'S OWN WORKFORCE

SOCIAL AND HUMAN RIGHTS MATTERS	IMPACTS, RISKS, AND OPPORTUNITIES WITH REGARDS TO SECTO'S OWN WORKFORCE (Guidance: Non-exhaustive list of factors considered in the double materiality assessment)
Health and safety	Occupational safety risks are identified and managed for all types of work including traffic, office work, and occupational ergonomics. All employees are covered by the human rights policy, processes, and protective actions. The company tracks all common safety indicators such as work-related safety incidents, work-related ill health, and workdays lost.
Gender equality and equal pay for work of equal value	Secto's values are in line with equality and equity because we respect all employees. Metrics include board gender diversity, percentage of women in top management and the workforce, and male-female wage gap.
Training and skills development	Training is available for Secto's own workforce in a web-based e-learning platform with training paths planned based on roles. The curriculum includes data security, anti-money-laundering, ESG training, work task related training, AI, Anti-Corruption and Bribery and external training when needed. All employees are in the scope of the e-learning platform, and the coverage of the training path in 2025 was 98%. External training is granted on an as-needed basis. (See also S1-13)
The employment and inclusion of people with disabilities	Equal rights are ensured for employees generally, no discrimination is accepted. Working conditions are adapted for each employee as appropriate.
Measures against violence and harassment in the workplace	Secto's values are based on treating everyone respectfully. Violence and harassment are not acceptable. The approach is described in the Code of Conduct, which is signed by all employees.
Diversity	The best resource is recruited for each role and no discrimination is allowed. We consider the full scope of diversity, including age, gender, and nationality.
Child labour and Forced labour	Secto has assessed the risks of child labour and forced labour and come to the conclusion that the risks for own workforce are minimal due to the type of operations and the geographical area of the operations. Risks or impacts are more likely to exist in the supply chain and therefore Secto has implemented practices such as a general risk assessment and a code of conduct for suppliers to minimise the risks throughout the value chain.

IMPACTS, RISKS, AND OPPORTUNITIES MANAGEMENT

S1-1 – POLICIES RELATED TO OWN WORKFORCE

Secto has three policies with the most relevance to impacts, risks, and opportunities related to own workforce. The ESG Policy outlines Secto's intentions and relationship with the society. The Social and Labour Policy describes Secto's approach to complying with societal and employee related principles. The Human Rights Policy describes our approach to managing our impact to specific internal and external groups.

The most relevant human rights matters and the policies that describe Secto's position to the matters included are summarised in Table S1-1. Secto management tracks the effectiveness of the values and policies by an anonymous reporting channel, which ensures that any cases would be reported and treated appropriately. Policies are in alignment with the internationally recognized instruments. In addition to the policies, there is a specific action plan for equality, equity, and training, which is available to the workforce.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Engaging with own workforce and worker's representatives is covered in Secto by the regular processes of stakeholder engagement, annual employee engagement surveys, and through the employee representation in the work safety council and health

TABLE S1-1. POLICIES TO MANAGE MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES RELATED TO OWN WORKFORCE

SOCIAL AND HUMAN RIGHTS MATTERS	SECTO'S POLICIES
Secure employment	Finnish laws, (Social and Labour Policy) and Supplier Code of Conduct
Working time	Code of Conduct, Social and Labour Policy, and Supplier Code of Conduct
Adequate wages	Finnish laws and Code of Conduct
Social dialogue / existence of work councils / information, consultation and participation rights of workers	Finnish laws, Social and Labour Policy
Freedom of association / Collective bargaining including the rate of workers covered by collective agreements	Social and Labour Policy
Work-life balance	Finnish laws and Code of Conduct
Health and safety	Code of Conduct and Human Rights policy
Gender equality and equal work for equal pay	Sustainability (ESG) Policy and Equality, Equity and Training Plan in the intranet
Training and skills development	Equality, Equity and Training Plan in intranet
The employment and inclusion of people with disabilities	Code of Conduct
Measures against violence and harassment in the workplace	Code of Conduct
Diversity	Code of Conduct. Equality, Equity and Training Plan
Child labour and Forced labour	Human Rights Policy

and safety representatives. Processes, impacts, and risks regarding own workforce are represented in the management team by the Director of People and Culture. Secto's plan on equality, equity, and training supports equal opportunities and equal engagement of all employees. In addition, Secto has a whistleblowing channel in use for both internal and external stakeholders.

Secto is committed to implementing ILO's human rights principles, and UNGC and OECD Guidelines for Multinational Enterprises in its policies and operational processes with regards to its own employees as well as the value chain, including the workforce that may be particularly vulnerable. Effectiveness of engagement with own workforce is measured by employee engagement surveys and by the employee net promoter score metric.

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

Processes to remediate negative impacts are based on Secto's values, and employee representation is built on regular meetings of the work safety council, where work safety representatives can raise concerns to management attention and remedial actions. All business premises accommodating more than a couple employees are represented by employee elected work safety representative. In addition, Secto has a whistleblowing channel for both internal and external stakeholders.



S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

Material impacts, risks, and opportunities related to own workforce include employee engagement and human rights. The process to identify the impact and risks is described earlier, in chapter ESRS 2. Action plans and resources to manage the impacts and risks related to own workforce include regular training activities, also for the management level.

Some of the actions taken to manage the impacts and risks are presented in the table below.

TABLE S1-4. ACTIONS TAKEN, PLANNED, OR UNDERWAY TO PREVENT OR MITIGATE NEGATIVE IMPACTS ON OWN WORKFORCE

SOCIAL AND HUMAN RIGHTS MATTERS	SECTO ACTIONS
Secure employment	97% of own workforce are in permanent employment and new recruits are made on a permanent basis unless there is a good reason, such as acting as a substitute for temporary family leave. We aim to maintain and develop competences to secure continued employment and support employees at times of change.
Working time	Actual working times are tracked and we follow the working time related clauses of collective bargaining agreement. Flexible working time and location are used where applicable.
Adequate wages	Wages are all above the limit of adequacy in Finland.
Social dialogue, works council, engagement	Work safety council has regular meetings, generally held on a quarterly basis. The workforce from all major sites is represented, and employees can raise topics of discussions. Employee representatives are elected by the employees. In addition, all employees have an opportunity for a dialogue and access to the company’s financial information on a monthly basis in regular employee meetings.
Freedom of association	Collective bargaining is promoted but the rate of workers covered by collective agreements is not known, as employees are not required to inform the employer about it.
Work-life balance	Everyone is eligible for family leaves and flexible working time arrangement, to the extent possible by the job description. Day care is provided by the municipalities. The majority of employees agree that the ability to work regardless of time and place and balanced workload are among the most meaningful topics for them in 2025. Regular surveys on meaningfulness of work are conducted for the workforce.
Health and safety	Preventive health and safety actions include extensive occupational health service, sports and culture benefits, lunch benefit, massage benefit, employer paid physiotherapy for five occasions per year, bicycles provided by the company, and sports related clubs and events. For occupational safety, we actively promote a safe working culture, and we work with our partners to identify risks and work to minimise them. We are particularly vigilant if we observe any signs of hazardous situations, an increased level of haste, inappropriate behaviour, or work fatigue among our own personnel. Secto has defibrillators available in main office locations. Secto provides voluntary first aid training to employees periodically.

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SOCIAL AND HUMAN RIGHTS MATTERS	SECTO ACTIONS
Gender equality and equal work for equal pay	An annual salary review has been conducted to assess the gender pay gap since 2022. Salaries are adjusted and the review is considered for new positions. A new law implementing the 2023 approved EU directive regarding wage and salary transparency is about to be implemented in Finland, and preparations are ongoing to comply with the new requirements. Secto equality, equity, and training plan guides the work.
Training and skills development	An e-learning platform was introduced in 2023. There are individual training paths for every employee and targets for training completion are assigned.
The employment and inclusion of people with disabilities	Increasing accessibility measures are evaluated as part of ongoing work, possible needs assessed with health care provided.
Measures against violence and harassment in the workplace	Code of conduct (CoC) training is mandatory for everybody and includes personally signing to act accordingly. Complaint and remedy mechanisms include HR functions with management team positions, an anonymous whistleblowing channel, a work safety council, location-based work safety representatives, and a compliance function. If needed, management together with HR functions decide on sanctions such as written warnings and dismissals.
Diversity	Training on diversity and inclusion as part of CoC training. The Code of Conduct emphasises that everyone is to be treated fairly, regardless of background. This approach is embedded in Secto's thinking with internal and external stakeholders, equal opportunities in recruitment, and professional development. Possible cases of discrimination can be reported through HR, compliance, or anonymously through the whistleblowing channel.
Child labour and Forced labour	Secto complies to local legislation, therefore child labour and forced labour are not relevant issues to own workforce. Regarding the value chain, 98% of suppliers measured by euro amount of purchases are committed to Secto's supplier code of conduct, and the supply chain management is continuously improved. Human rights are highlighted as a concern by suppliers in the stakeholder survey.

METRICS AND TARGETS

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Secto has set specific numeric annual, short-term targets and long-term commitments to social metrics related to its own employees. Own workforce is an essential stakeholder group in defining the material impacts, risks and opportunities, and targets and actions to manage them, and stakeholder surveys allow stakeholders to give verbal inputs on impacts, risks, opportunities, and actions. Some of the targets are presented in the table below.

Maintaining a high eNPS is a central metric to ensure engagement of Secto's own workforce with Secto strategy and targets. A high eNPS score represents the employees' alignment to Secto's values and strategy and the experience of meaningfulness of their roles at Secto.

Zero safety incidents and fatalities, lost days due to work-related accidents or illnesses are targets shared by and committed to by the employees. The performance is tracked and corrective actions are identified by the works council and by the management.

TABLE S1-5 TARGETS SET TO MANAGE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

SOCIAL AND HUMAN RIGHTS MATTERS	SECTO'S TARGETS
Secure employment	Per se, we provide full time permanent employment contracts.
Working time	Everyone (100%) has flexible working time arrangements.
Adequate wages	Wages are at least on the level defined by collective bargaining agreement TES.
Social dialogue and participation rights of workers	Employees are engaged in setting and tracking the social metrics and targets.
Freedom of association	Collective bargaining is followed through industry binding collective bargaining agreement. Secto does not track or record the number of employees who are members of a union because the benefits belong to all employees.
Work-life balance	eNPS is one of the most important KPIs and it is measured twice a year. Target set in 2025 is 60. Result in 2025 was 51, increase from 17 in 2024. We track the response rate and expect it to stay at high level, in 2024 it was 92% and in 2025 91%.
Health and safety	Target is to have no safety accidents. We want our employees to stay safe and healthy and invest in preventive actions.
Gender equality and equal work for equal pay	We aim at setting a target unexplainable unadjusted gender pay gap in 2026 and work on implementing process to detect and adjust possible instances.
Training and skills development	Everybody is part of the e-learning program. Target is set at 100% for the mandatory trainings and completion is tracked on an individual level.
The employment and inclusion of people with disabilities	No targets.
Measures against violence and harassment in the workplace	100% of the personnel to be trained on and have signed Code of Conduct.
Diversity	No targets other than equal pay. Age distribution and gender diversity of employees is tracked.
Child labour and Forced labour	Increasing the awareness internally and increasing the number of suppliers signed the Supplier Code of Conduct Current coverage 98% measured by spend. For supply chain we aim at increasing the number of suppliers signed the Supplier Code of Conduct. Sustainability is one of our main procurement criteria when tendering for suppliers.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Secto had 103 employees at the end of the year 2025, all based in Finland. Employee characteristics presented in the tables below are all based on data at year end. Data was collected by comparing organisation charts with payroll data.

TABLE S1-6-1 NUMBER OF EMPLOYEES

GENDER	NUMBER OF EMPLOYEES (HEADCOUNT)
Male	58
Female	45
Other	0
Not reported	0
Total Employees	103

TABLE S1-6-2 EMPLOYEES BY COUNTRY

COUNTRY	NUMBER OF EMPLOYEES (HEAD COUNT)
Finland	103

TABLE S1-6-3 CONTRACTS AND GENDER OF EMPLOYEES

31.12.2025 HEADCOUNT / FTE	TOTAL	FEMALE	MALE
Number of employees	103	45	58
Number of permanent employees	99	44	55
Number of temporary employees	0	0	0
Number of non-guaranteed hours employees	3	1	2
Number of full-time employees	99	44	55
Number of part-time employees	4	2	2

S1-7 – CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

The number of non-employees is reported in headcount at the end of the reporting period. To compile the data, the organisation chart was compared to the payroll data. New recruitments or temporary help can be obtained through recruitment agencies for a short period, if appropriate. All longer-term employment is through employment contracts with Secto.

TABLE S1-7. NON-EMPLOYEES IN OWN WORKFORCE

1.1.-31.12.2025	
Number of non-employees in own workforce	2
Number of non-employees in own workforce – self-employed	2
Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	0

S1-8 – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

All employees are based in Finland, and they are covered by industry binding collective bargaining agreements. Workplace representation in the work safety council includes representatives from all major locations and employee groups.

TABLE S1-8. COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

	COLLECTIVE BARGAINING COVERAGE	SOCIAL DIALOGUE
COVERAGE RATE	EMPLOYEES	WORKPLACE REPRESENTATION
80-100%	Finland: All 103 employees, 100%	100%

S1-9 – DIVERSITY METRICS

Age diversity metrics at Secto are presented below in Table S1-9. The number of employees means the headcount. Secto’s definition of top management is to be a member of the top management team.

TABLE S1-9. DIVERSITY METRICS

	NUMBER OF EMPLOYEES	PERCENTAGE (%) OF EMPLOYEES
Top-management level	5	5%
Under 30 years old	10	10%
Between 30 and 50 years old	81	79%
Over 50 years old	12	11%

Gender diversity metrics are presented in chapter S1-6.

S1-10 – ADEQUATE WAGES

Adequate wage means wage that provides for the satisfaction of the needs of the worker and worker’s family in the light of national economic and social conditions. All the wages are in accordance with the Directive (EU) 2022/2041 of the European Parliament and of the Council on adequate minimum wages.

S1-11 – SOCIAL PROTECTION

All Secto’s employees are entitled to social protection that is supported by laws in Finland. The protection covers sickness, secure employment, unemployment benefits starting from when the employee is working for the undertaking, employment injury and acquired disability, parental leave, and retirement.

S1-12 – PERSONS WITH DISABILITIES

The percentage of persons with severe disabilities among Secto’s employees is currently 0%. Secto does not require employees to report possible disabilities so there may be employees with minor disabilities. If an employee has a disability, Secto supports adjusting the working environment accordingly. Physiotherapy and ergonomic support are available for all employees, if needed. The current number of employees allows examining data on an individual basis.

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

Secto has a training path for all its employees. The training path covers 10 online courses, which cover ESG, ESG management, anti-money laundering (AML), know your customer (KYC), GDPR and data privacy, compliance and ethical guidelines, AI, and employee tools such as the Planner, which models the impact

of changes to the company’s fleet on CO₂ emissions and overall driving costs.

Training focus was on AML/KYC, data privacy, ethical guidelines, and more specific training on acting according to our values. Traditional training path was updated in 2025 with new topics such as AI and insurance sales.

All new employees will go through all 11 training programs as soon as possible after starting at Secto. Average training hours per new person was 11 hours in 2025. Workers who had been employed more than a year were trained on average 5 hours during the year 2025. Training statistics are tracked on an individual basis, they are not reported by gender.

S1-14 – HEALTH AND SAFETY METRICS

In 2025, 100% of own workforce was covered by the health and safety management system based on legal requirements. There were no work-related incidents for own workforce. The lost time incident frequency (LTIF) was 0 and the recordable incident frequency (TRIF) was 0, meaning the number of incidents in one million work hours. No fatalities took place for own workforce or other workers working on the undertaking’s sites. There were no work-related illness cases. The number of days lost to work-related injuries from work-related accidents was 0.

S1-15 – WORK-LIFE BALANCE METRICS

All employees are entitled to take family-related leave due to national social policy and collective bargaining agreements. Family related benefits at Secto exceed the national minimum. A total of 9 employees took family related leave: 3 female and 6 male. The eNPS score was 51 in 2025.

S1-16 – COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

Unadjusted pay gap is defined as the average gross hourly earnings of male paid employees and of female paid employees, expressed as a percentage of average gross hourly earnings of male paid employees. The unadjusted gender pay gap at Secto was 12% in 2025 (33% in 2024, 35% in 2023, 41% in 2022) indicating that the average male salary is 12% higher than the female salary in 2025. This gap is mainly attributed to the current types of jobs that are being done by male and female employees.

Much of the unadjusted gender pay gap is derived from commission-based sales organisations, of which 98% of employees are male. Employment contracts and commission pay schemes are alike to all commission-based sales employees, and the

possible pay gap is sales performance driven. Employees, and the possible pay gap is sales performance driven. There is no women at the top management level. Excluding the top management and commission-based workers, the unadjusted gender pay gap is 17% with variation of -12% to 55% based on seniority-level/job description. On a salaried worker level, the pay gap is 6%.

However, the number of people in these categories is low and the pay is mostly in line with responsibilities and experience when the results are assessed by each individual. Equal pay corresponding to responsibility level and performance is important to Secto. If an unexplainable pay gap is found, corrective action is taken regardless of gender. Secto is in process of defining role descriptions and corresponding pay structure, aim is to implement the new structure during 2026.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

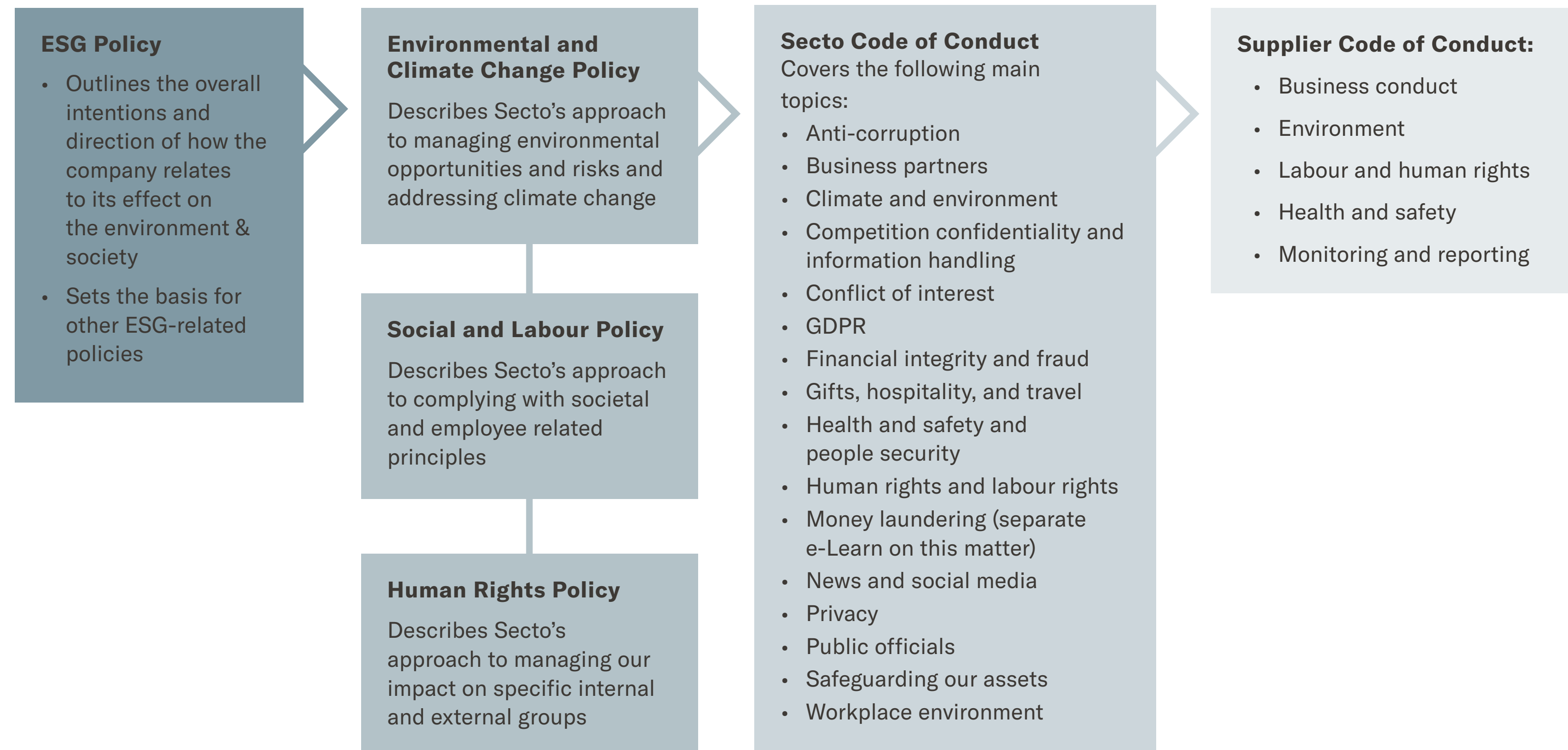
There were no grievance cases or reported severe human rights incidents in 2025. No complaints were filed through the channel for own employees to raise concerns. No fines, penalties, or compensations for damages were reported for violations regarding social and human rights, and no human rights issues or incidents that would be cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises, nor complaints filed to OECD National Contact Points.



4. GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

THE POLICIES THAT HAVE BEEN DEVELOPED AND THE KEY TOPICS THEY COVER



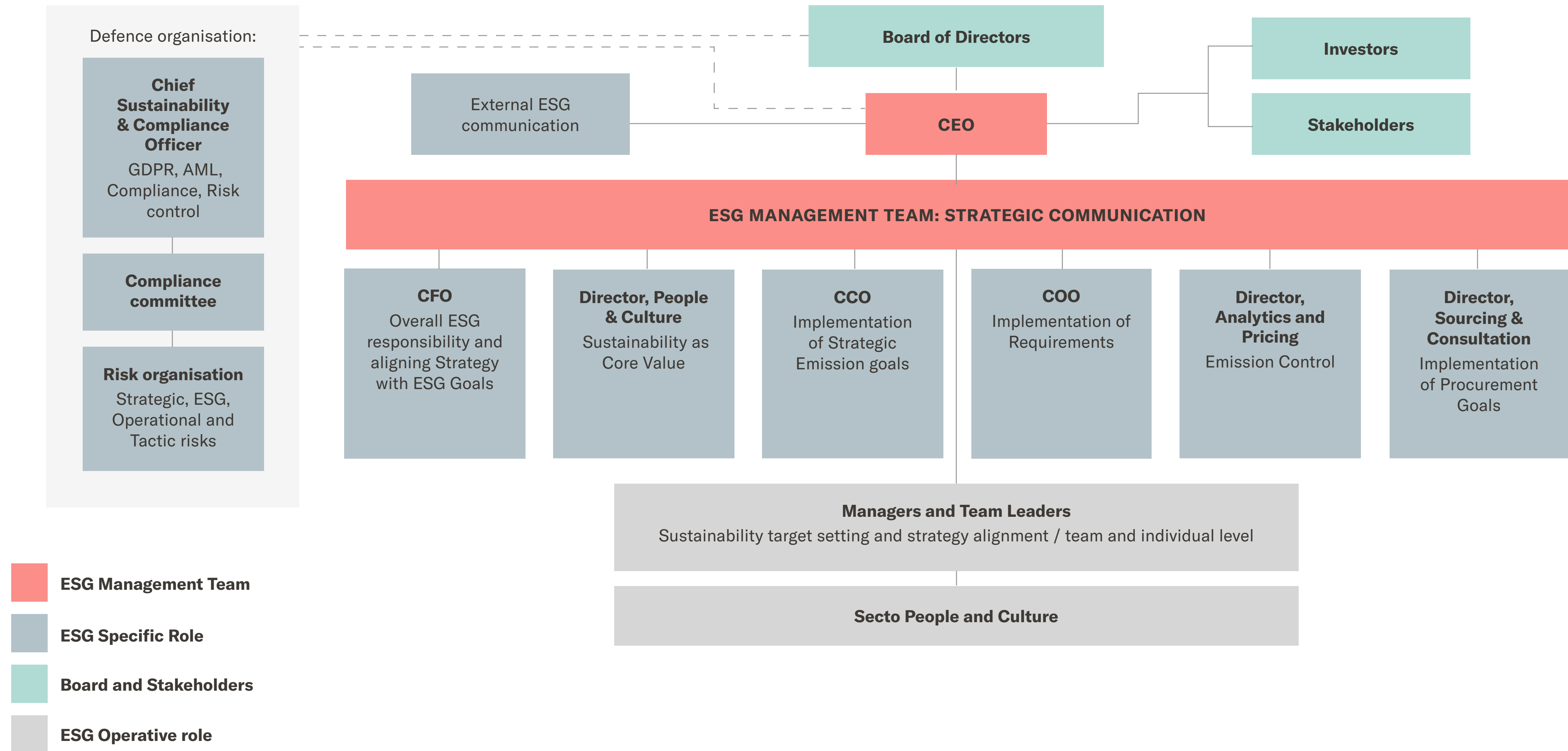
GOVERNANCE

ESRS 2 GOV-1 – THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY, AND MANAGEMENT BODIES

The Secto Board of Directors has approved the sustainability program, the ESG Governance model, and Secto’s ESG policies. The management team undergoes regular online training in relevant ESG matters.

A clearly defined ESG governance model ensures that our strategy is implemented successfully and updated regularly.

ESG GOVERNANCE MODEL



WE HAVE DEFINED the roles and responsibilities as per the RACI framework. RACI is a high-level matrix that maps responsibility (R) and accountability (A) to the various stakeholders involved in Secto's ESG program. In addition to responsibility and accountability, stakeholders with required or important subject matter expertise are tagged as consulted (C) parties and groups that need to be kept in communication are tagged as informed (I).

IMPACT, RISK, AND OPPORTUNITY MANAGEMENT

ESRS 2 IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES

Process of identification and assessment of material impacts, risks, and opportunities was conducted in the double materiality assessment process. This process is reported in detail in Disclosure Requirement ESRS 2 IRO-1.

G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

At Secto, we promote sustainable business practices. Secto has developed a set of ESG-related policies to outline the overall intentions and direction of how the company will manage its effect on the environment and society, and the governance required to do so. All decisions and actions taken by Secto will be consistent with and designed to accomplish the commitments made in the ESG policies.

TO COMPILE THESE POLICIES, WE HAVE:

- Assessed our potential to align with the requirements of being a sustainable investment according to the Sustainable Finance Disclosure Regulation (SFDR), by understanding our compliance with the EU Taxonomy, including the Do No Significant Harm (DNSH) principle, as well as Minimum Social Safeguards (MSS).
- Committed to continuously monitor, report, and improve our environmental footprint, societal impact, and ownership and governance by leadership. We have done this through committing to the principles of the United Nations Global Compact (UNGC). All sustainability policies have been approved by Secto's Board of Directors. Secto will continue to operate according to its models and policies, and plans to have a positive ESG impact.

To ensure responsible business practices, training plays a key role. During the year 2025, 85% of the new employees were educated about sustainable business conduct. 98% of the employees and 75% of the management and CEO was trained in GDPR matters, 95% of the employees and 75% of the management was trained in the AML/KYC matters. Training was given also to all sales staff and the finance department about anti-bribery matters. There were also irregular discussions in the team meetings led by compliance. These discussions will become regular in the future.

Secto has identified that the sales function is most at risk in respect of corruption and bribery. Process development in operations is made especially in the customer service department to recognise and notify any suspicious activity. A new policy was created in 2024 for the company regarding representation, hospitality, giving and receiving gifts. An internal audit was conducted in 2025 to the sales department.

IDENTIFYING, REPORTING, AND INVESTIGATING UNLAWFUL BEHAVIOUR

Secto has multiple mechanisms for identifying, reporting, and investigating unlawful behaviour or behaviour in contradiction of its Code of Conduct. These mechanisms include a whistleblowing channel (both inside and outside the organisation), online training for Secto's personnel (including management). In addition, there is Secto's internal Code of Conduct in place. Secto has a Chief Sustainability & Compliance Officer who is responsible for these mechanisms. Secto is committed to investigating business conduct incidents promptly, independently, and objectively.

There were no whistleblowing incidents during the year 2025 through the official and anonymous whistleblowing channel. The policies on safeguards for reporting irregularities and protection of whistleblowers are in place and described in Secto's Compliance Programme. The Programme is approved by the Secto's Board and can be found in Secto's intranet.

Whistleblower protection prohibits retaliation against the whistleblower. The employer cannot, for example, weaken the terms of employment of the whistleblower, terminate the whistleblower's employment relationship, or lay off the whistleblower because of the report.

G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

Our sustainability goes beyond our own operations: we require our suppliers to follow our Supplier Code of Conduct to consider environmental, health and safety, and human rights issues throughout our supply chain. 98% of Secto's suppliers have committed to Secto's Supplier Code of Conduct, measured as euros spent on purchases.

Regarding the risks related to supply chain, Secto has built a supplier register in its ERP system and is continuing to develop it further. In the future, this enables the risk analysis of all the

suppliers. At this stage, the social and environmental criteria are not considered for selection of supply-side contractual partners.

Secto has developed a new Request for Proposal model (RFP) which takes into account all aspects of ESG. Secto has also developed in 2024 a new partnership programme that encourages all parties to work together to find more sustainable solutions that benefit all parties.

Secto does not demand exceptional payment terms from its suppliers. Payment terms of approximately one month are viewed as acceptable towards suppliers. Special attention must be paid to small-to-medium enterprise (SME) payment terms, which should be the standard 14 days. SME payment terms longer than 30 days must have a sound, documented reason and be approved by a management team member or the compliance function.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Prevention and detection of corruption and bribery is a material part of Secto’s responsible business conduct. There are procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery. The two main procedures are whistleblowing channels and training of personnel. In the future, there will also be surveys for suppliers such as the updated RFP process which was introduced in 2024.

Secto has an investigating committee that is separate from the chain of management involved in the prevention and detection of corruption and bribery. The committee includes people from the compliance and HR departments. The investigators involved are always evaluated depending on the notification. If needed, Secto will use investigators outside the company.

The outcomes of the corruption and bribery notifications are reported to administrative, management, and supervisory bodies. The processing time is 3 months for internal notifications, and between 3 to 6 months for external notifications.

The prevention and detection of corruption or bribery information is communicated in different ways. There is online training about the topic and the Code of Conduct is an attachment to employment contracts from 1.1.2024. The Board has approved the guidelines for Secto’s related party register. Both the Board and group management team communicate their related parties yearly.

During 2025, Secto provided training to all its own workers, meaning 100% of functions-at-risk are covered by training programmes. Details of training during the year are presented in Table G1-3.

TABLE G1-3. ANTI-CORRUPTION AND BRIBERY TRAINING

	EMPLOYEES	MANAGEMENT AND CEO
Training coverage	100%	100%
Delivery method and duration Online Training	0.5 – 2 hours per training	0.5 – 2 hours per training
How often training is required	Annually	Annually
Topics covered		
AML/KYC Process	X	X
Anti-corruption (sales and finance)	X	X
Code of Conduct	X	X

METRICS AND TARGETS

G1-4 – CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

An anti-money laundering (AML) risk assessment and action plan was updated in line with updated regulations and approved by the Board in 2025. AML processes were developed further and resources were increased to ensure that measures are taken accordingly and in a timely manner. Personnel are trained to notice any suspicious acts, such as bribery related issues. There were 0 convictions for violations and 0 euros worth of fines of anti-corruption and anti-bribery laws during the 2025 fiscal year. There were 0 confirmed incidents of corruption or bribery.

G1-5 – POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Secto does not perform lobbying activities and does not give financial on in-kind political contributions. There were no members of the administrative, management, and supervisory bodies who held a comparable position in public administration in the two years preceding.

G1-6 – PAYMENT PRACTICES

To assure payment on time, Secto encourages suppliers to send electronic invoices or PDF invoices through registering into the supplier portal. All invoices are checked for accuracy and approved by either using four eyes principle or through automatic matching based on agreement terms. Payments are made on the due date once the invoice is checked and approved for payment. Processing times for invoice approvals are followed up. Disputed or unclear invoices are paid promptly if the invoice is approved for payment.

99,2% of invoices received are electronic. The average handling days for invoices in 2025 was 1,9 days. The average number of days to pay an invoice after the due date was 1,6 days. Secto's standard payment term is 14 days. 65% of payments are aligned with standard payment terms. There are no outstanding legal proceedings for late payments. The identity of the receiver is confirmed before the payment at the end of each leasing contract before the possible contract reconciliation payment and whenever there is a change in payment terms or instructions.



APPENDIX

REPORTING PRINCIPLES

The scope and the boundary of the report is Secto Automotive Oy and its products and services. Data is collected by Secto's finance team from the existing operative management systems, purchasing records, HR system, and financial accounts. Data quality and credibility is internally reviewed, and the sustainability report is approved by the Board of Directors.

Refer to our data gathering methodology for environmental and social metrics below.

INDICATOR	REPORTING PROCESS AND COMMENTS
<p>Scope 1: Emissions from own operations</p>	<p>Data source: Captured within the internal ERP system.</p> <hr/> <p>Data gathering activity: This KPI includes all CO₂e emissions released from company vehicles. All vehicles are captured within the ERP along with the average consumption associated with each vehicle's mileage. The emissions associated with each vehicle are obtained from the Traficom website by using the vehicle registration details and captured within ERP against their respective vehicle.</p> <hr/> <p>Assumptions:</p> <ul style="list-style-type: none"> • Estimated CO₂ emissions are determined based on an estimated daily distance driven, which is multiplied by the number of days in the reporting period in which the vehicle has been leased. • The daily distance is calculated according to the estimated distance for the vehicle throughout the full lease period based on collected mileage data. • Each lease agreement's budgeted mileage for the vehicle throughout the full lease period is used if collected mileage data is not available. • If the driven distance is not available (due to missing starting data), the average by vehicle type is used to calculate distances. • Emission factors for fossil fuels are based on annual figures by Statistics Finland.

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INDICATOR	REPORTING PROCESS AND COMMENTS
<p>Scope 2: Purchased or acquired electricity, steam, heat, and cooling</p>	<p>Data source: Electricity consumption from buildings (including heating and cooling) and electricity from company EV and PHEV vehicles.</p> <p>Data gathering methodology: Electricity use at all leased buildings per lease agreements or per building electricity invoices. Monthly electricity use is captured, and emission factors are applied based on source of electricity.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> • The calculation includes emissions from Secto’s headquarters as well as the premises that are used for Secto’s own operations. • Location-based emission factors are from the Fingrid emissions and deemed to effectively reflect the emissions of heat and electricity generation used in Secto’s operations. • Heating energy has been estimated based on the size of the premises. • Conversion from CO₂ to CO_{2e} made relatively based on DEFRA factors.

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INDICATOR	REPORTING PROCESS AND COMMENTS
Scope 3: Emissions as a result of activities from assets not owned or controlled by Secto	<p>Data source: All supply chain emissions as listed below. Sum of all material Scope 3 categories (category 1, category 5, category 6, category 11, and category 13).</p> <p>Data gathering methodology: Consolidation of all Scope 3 category emissions.</p>
Scope 3 – Category 1: Purchased goods and services	<p>Data source: Captured within the internal ERP system.</p> <p>Data gathering activity: This KPI includes all CO₂e emissions from the production of all new purchased vehicles. Prior to 2025, was also included emissions from logistics now reported in category 4.</p> <p>Assumptions: Calculated based on averages of multiple sources, including vehicle supplier information on EV battery production emissions and logistics and Ecoinvent database figures.</p> <ul style="list-style-type: none"> Assumed that all EV emissions are higher due to battery production. All other fuel types calculated as with equal emissions from production.
Scope 3 – Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	<p>Data source: Data based on scope 1 and 2</p> <p>Data gathering activity: This KPI includes CO₂e emissions released from company vehicles and electricity consumption from buildings (including heating and cooling) that are not included in scope 1 and 2.</p> <p>Assumptions: Calculated emissions from energy used based on supplier level emissions factors.</p>
Scope 3 – Category 4: Upstream Transportation and Distribution	<p>Data source: Data based on vehicles purchased in category 1</p> <p>Data gathering activity: This KPI includes all CO₂e emissions from the logistics of all new purchased vehicles.</p> <p>Assumptions: Calculated based on averages of multiple sources, including vehicle supplier information on logistics and Ecoinvent database figures.</p>
Scope 3 – Category 5: Waste generated in operations	<p>Data source: Waste data is obtained from the third-party waste disposal service.</p> <p>Data gathering methodology: Secto makes use of a third-party waste disposal provider who removes all waste at their respective buildings. The data on the type and amount of waste, as well as the disposal activities, is recorded by the service provider and shared with Secto. Emission factors (DEFRA) have been applied to the data to determine the tCO₂e from waste generated.</p>

INDICATOR	REPORTING PROCESS AND COMMENTS
<p>Scope 3 – Category 6: Business travel</p>	<p>Data source: Any business travel is done through the internal finance approval activities on ERP.</p> <p>Data gathering methodology: All data on air travel for the year has been gathered by out travel agency and finance system.</p> <p>Assumption: The haul distance was determined by checking the flight distance for each trip and assigning the haul length and associated emission factors to each flight.</p>
<p>Scope 3 - Category 11: Use of sold vehicles</p>	<p>Data source: As captured on internal ERP.</p> <p>Data gathering activity: This KPI includes all CO₂ emissions released from vehicles that are sold by Secto within the period. Sold vehicles include cars, vans, and machinery that are sold from Secto to another party. All vehicles owned by Secto are captured onto ERP databases. Sold vehicles lifetime emissions are calculated by estimating the remaining mileage of the vehicles based on their average lifetime.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> • Total distance that a vehicle drives until scrapping is based on country research and is broken down by fuel type (used scrapping km and km/year). • Machinery leases and sales were included in this category as all machinery has been ceased in 2023. • Due to limitations in availability of productivity data for machinery, assumptions were made related to productivity hours and associated fuel use to determine emissions.
<p>Scope 3 – Category 13: Leasing of vehicles (downstream leased assets)</p>	<p>Data source: Captured within the internal ERP and Salesforce systems.</p> <p>Data gathering activity: This KPI includes all CO₂ emissions released from vehicles that are leased by Secto within the period. Leased vehicles include cars, vans, and machinery that are leased from Secto to another party. All vehicles are captured within the ERP along with the average consumption associated with each vehicle’s mileage. The emissions associated with each vehicle are obtained from the Traficom website by using the vehicle registration details and captured within ERP against their respective vehicle.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> • Estimated CO₂ emissions are determined based on an estimated daily distance driven, which is multiplied by the number of days in the reporting period in which the vehicle has been leased. • The daily distance is calculated according to the estimated distance for the vehicle throughout the full lease period based on collected mileage data. • Each lease agreement’s budgeted mileage for the vehicle throughout the full lease period is used if collected mileage data is not available. • If the driven distance is not available (due to missing starting data), the average by vehicle type is used to calculate distances. • Emission factors for fossil fuels are based on annual figures by Statistics Finland and emission from the production of electricity used by from EV and PHEVs by factors reported by Fingrid.

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INDICATOR	REPORTING PROCESS AND COMMENTS
<p>Carbon footprint</p>	<p>Data source: Sum of all Scope 1, Scope 2, and Scope 3 emissions.</p> <p>Data gathering methodology: All data that has been captured on Scope 1, 2, and 3 emissions has already been obtained as part of the GHG emissions data gathering process. The available data is consolidated, and the full carbon footprint is calculated. The data owner reviews the data and makes updates based on any anomalies.</p>
<p>Share of non-renewable energy consumption and production</p>	<p>Data source: Consumption from company vehicles, purchased electricity and heating/cooling of buildings, and all value chain activities converted to MJ.</p> <p>Data gathering methodology: All data energy that has been either consumed or produced has been captured as part of the GHG emissions reporting process. The data on the non-renewable energy consumed is obtained from the following sources:</p> <ul style="list-style-type: none"> • Fuel used by company vehicles • Non-renewable electricity used for heating and cooling • Fuel used by rental vehicles • Upstream transportation of vehicles and business travel <p>Data on renewable energy consumed is obtained from the distance travelled by EVs (owned and leased), and renewable electricity used for buildings as well as heating and cooling.</p> <p>Calculate split of non-renewable energy as a percentage of total energy.</p>
<p>% Revenue that came from environmentally-friendly products/services during the reporting period</p>	<p>Data source: Annual revenue (financial statements) per ERP system.</p> <p>Data gathering methodology: Environmentally-friendly products in this context will be all leased or sold vehicles with CO₂ emissions below 50 gCO₂/km. Obtain the total revenue throughout the reporting period, split by fuel type and CO₂ emission group. Determine the amount of revenue that came from vehicles with CO₂ emissions below 50gCO₂/km as a percentage of the total revenue generated.</p>
<p>Secure employment</p>	<p>Data source: HR System from outsourced payroll provider. Organisational charts.</p> <p>Data gathering methodology: Obtain information on current employment agreement terms and compare employees to organisation chart. Calculate number of non-employees, full-time and part time employment contracts, permanent and fixed term employment contracts. Calculate percentages of all categories at year end. Review data and make updates based on any anomalies.</p>
<p>Diversity metrics</p>	<p>Data source: HR System from outsourced payroll provider.</p> <p>Data gathering methodology: Obtain information on employees' gender, age and organisational level. Calculate gender split by age and organisational level at year end. Review data and make updates based on any anomalies.</p>

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INDICATOR	REPORTING PROCESS AND COMMENTS
<p>Training and skills development</p>	<p>Data source: Online learning portal.</p> <p>Data gathering methodology: Obtain information on mandatory online courses available for employees in the online learning portal. Calculate percentage of successfully passed performances to all registered employees. Review data and make updates based on any anomalies.</p>
<p>Compensation metrics, unadjusted gender pay gap</p>	<p>Data source: HR System from outsourced payroll provider.</p> <p>Data gathering activity: Outsourced payroll provider’s HR system and analytics tool has all data on salaries paid to employees for different roles.</p> <p>Data gathering methodology: Obtain the annual salaries for all employees at Secto. Split the salaries, firstly, by gender (male or female), and secondly by the specific job type (level). Calculate the overall gap in pay between male and female employees as well as the gaps noted at each specific job level. Review data and make updates based on any anomalies.</p>
<p>Board gender diversity</p>	<p>Data source: Internal data on the Board composition.</p> <p>Data gathering methodology: Obtain gender information on current existing Board members (there are currently four, of which all are male). Calculate the number of female members and the number of male members on the Board. Calculate the percentage of female Board members out of the total number of current members. Review data and make updates based on any anomalies.</p>
<p>Health and safety metrics, number of work-related incidents/injuries/illnesses/fatalities, number of days lost to injuries/accidents/fatalities or illness, LTIF and TRIF</p>	<p>Data source: Data is captured by an outsourced payroll provider and insurance provider. Human Resources generate a scorecard on lost time. The analytics platform has all data on any time off taken for health and safety reasons. Employees must record time off in the system.</p> <p>Data gathering methodology: Obtain all data on days taken due to injury or illness from the analytics platform. Obtain reported injuries from the insurance provider’s reporting platform. Calculate all days lost due to work related injuries (including fatalities), as well as days lost as a result of work-related illness. Consolidate these to obtain all days lost due to health and safety incidents. Calculate the lost time incident frequency (LTIF) and the recordable incident frequency (TRIF). Review data and make updates based on any anomalies.</p>
<p>Employee satisfaction (lack of grievance/complaints handling mechanism related to employee matters)</p>	<p>Data source: Employees are surveyed on an annual basis (at a minimum) by an outsourced service provider with a development trend being measured. Analysis is done by Secto HR.</p> <p>Data gathering methodology: Obtain feedback from the employees on the satisfaction survey. The survey calculates the overall level of employee satisfaction (%) and eNPS based on the responses obtained.</p>

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INDICATOR	REPORTING PROCESS AND COMMENTS
The ratio of employees covered by collective agreements	<p>Data source: HR system and salary information.</p> <p>Data gathering methodology: Secto is not a member of an employer union, but Secto does undertake monitoring activities to ensure that collective bargaining agreements are being adhered to.</p>
Supplier code of conduct	<p>Data source: ERP system and bookkeeping system.</p> <p>Data gathering methodology: Secto has built a supplier register in its ERP system where signed supplier code of conduct documents are stored. Number of suppliers adhering to the Supplier CoC is cross checked of supplier register in bookkeeping to obtain the % of purchases made from suppliers adhering to the Supplier Code of Conduct compared to the monetary value of all purchases.</p>
Payment practices	<p>Data source: Invoice handling and approval system, the payment system and the bookkeeping system.</p> <p>Data gathering methodology: Data on payment terms, handling and approval times of purchase invoices is obtained from the invoice handling and approval system from all suppliers. Data from payments made compared and payment delays is obtained from the payment system. Data is compared to the bookkeeping system. Review data and make updates based on any anomalies.</p>

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