Environmental.
Social.
Governance.
2025

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Introduction

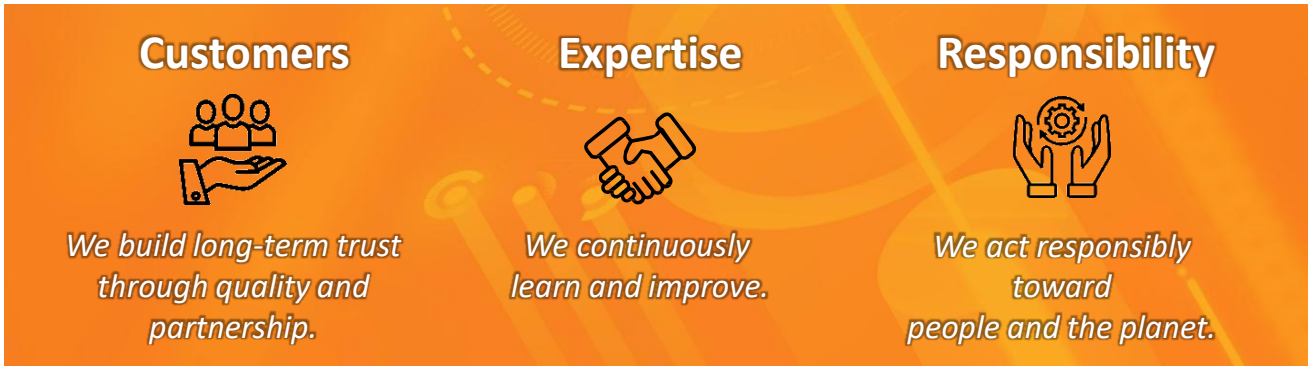
The Group develops electronic products and systems, supports their industrialization, and provides a full range of manufacturing services for data network equipment, the Internet of Things, Defense, industrial systems, and other products in high value-added market segments.

HansaMatrix is the Group's parent company, with its subsidiaries including HansaMatrix Ventspils and HansaMatrix Pārogre. The majority of the Group's revenue is derived from electronics manufacturing services, encompassing the industrialization of electronic products, assembly of components on printed circuit boards, assembly of end products, component supply chain management services, and plastic parts production. The Group also generates revenues from the production and assembly of high-precision metal, plastic, and various composite components, which complement its core business — electronics manufacturing services.

HansaMatrix defines the Group's strategic direction and oversees IT, financial management, and sales activities, as well as relationships with customers, suppliers, and other stakeholders. The Group is based in Latvia, its management office is in Marupe, while production is carried out in three manufacturing sites – two in Ventspils (electronics and plastic parts) and one in Ogre. High-precision products are also manufactured at the Marupe CNC workshop.

This structure ensures that ESG data is collected at the site level across all locations, enabling accurate consolidation and analysis at the Group level. It also allows for the identification of location-specific impacts and improvements related to environmental and social performance.

On February 24, 2021, HansaMatrix approved its Sustainability Policy and targets, aligning with its core business of providing electronic manufacturing services and reflecting the Group's values:



In 2025, HansaMatrix continued to strengthen its ESG framework, building on the progress achieved in the previous years. The double materiality assessment was reviewed and refined, incorporating ongoing stakeholder engagement to reflect evolving expectations. Responsibilities across the environmental, social, and governance pillars remained clearly defined, supporting consistent implementation and accountability.

Several topics were disclosed in prior years; however, in 2025 they are presented using enhanced methodologies and improved data quality, supporting greater comparability and reliability. Indicators introduced in the prior year have been further developed, enabling greater comparability and reliability of results. HansaMatrix remains committed to transparency, clarity, and the continuous improvement of its ESG performance.

This report was reviewed and approved by the HansaMatrix Management Board on April 20, 2026.

The Path Towards CSRD Compliance

HansaMatrix is actively preparing for the upcoming requirements of the **Corporate Sustainability Reporting Directive (CSRD)** and the associated **European Sustainability Reporting Standards (ESRS)**. HansaMatrix views this new regulatory framework not only as a compliance requirement, but also as an opportunity to strengthen sustainability governance, transparency, and long-term resilience.

Double Materiality Journey

At the core of the CSRD is the requirement to perform a Double Materiality Assessment (DMA) - a foundational step that examines both the company's impact on society and the environment and how ESG related risks and opportunities may affect financial performance. This dual perspective supports the identification and management of both environmental and social impacts, as well as financially relevant ESG risks and opportunities while creating long-term value for stakeholders.

Double materiality assessment process

1 Discover and benchmark → **2 Due Diligence** → **3 Assess and validate** → **4 Decide and document**

Discover long list of all potential ESG topics (impact, risk and opportunity areas) that might be relevant for the company:

- Market trend analysis;
- Sector insights, peer review/benchmarking;
- Relevant regulations and guidelines;
- Value chain.

Gather information that helps to understand the importance of discovered ESG topics for the company (actual impacts, risks, opportunities):

- Q&A request, internal interviews / workshops with key persons;
- Review internal documents, studies, understand business processes, practices & strategy;
- Stakeholder survey.

Assess and establish initial ESG topics materiality (environmental, social, financial impacts) for the company.
Validate the findings through external stakeholders and management engagement:

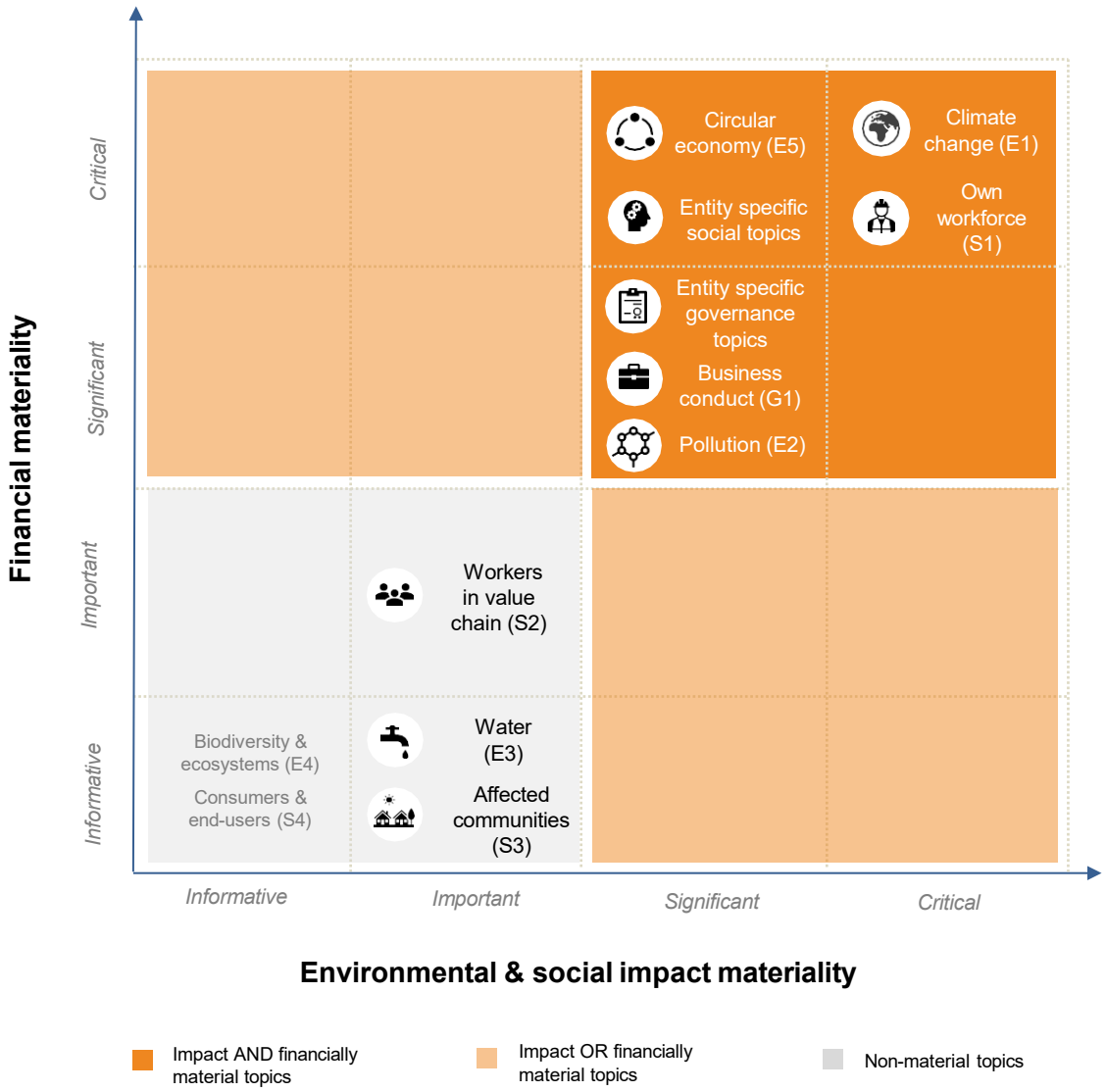
- Management / key person workshop.

Considering previous steps and input, make the final decision on the input factors of materiality scoring and arrive at final list of material ESG topics for the company, based on topics:

- Impact materiality
- Financial materiality.

In 2025, HansaMatrix continued to apply its double materiality assessment, initially conducted in 2024 in collaboration with Impactly and its partner KPMG, in line with CSRD requirements.
The assessment is based on 53 ESG impact-risk-opportunity (IRO) topics, covering both impact and financial materiality dimensions. These continue to be evaluated based on their scale and scope of impact, likelihood and ability to mitigate or remediate, and potential financial relevance for the company.

Double Materiality Journey

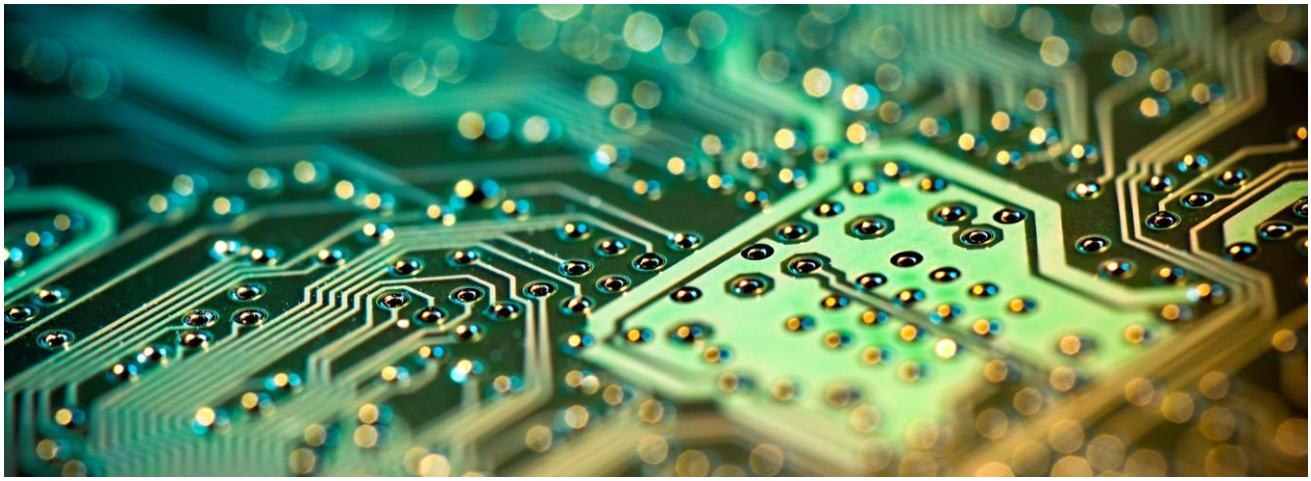


Through this process, HansaMatrix identified its most material topics across the ESG spectrum. Key material topics identified include:

- Climate change mitigation, especially the reduction and management of greenhouse gas emissions;
- Resource use and circularity, particularly in the context of electronics manufacturing;
- Employee well-being and occupational safety;
- Supply chain sustainability and ethical business conduct;
- Digital transformation and cybersecurity.

The assessment provides a clear roadmap for aligning with the ESRS framework and will serve as the cornerstone of the future sustainability strategy and reporting.

Double Materiality Journey



On 10 January 2025, the HansaMatrix Management Board reviewed and approved the outcomes of the company's Double Materiality Assessment, conducted in line with the CSRD framework.
Following a thorough evaluation and discussion, the Management Board unanimously approved the list of material ESG topics to be included in future sustainability reporting and strategy. Additionally, the Management Board confirmed the exclusion of several ESG topics that were not found to have significant actual or potential impact on, or from, HansaMatrix operations. These included areas such as marine resources, biodiversity, consumer safety, and political engagement, based on their limited relevance and absence of material impacts, risks, or opportunities.
This decision reinforces HansaMatrix's commitment to aligning sustainability priorities with the company's operational realities and stakeholder expectations.

Methodology update

The methodology for calculating employee headcount and total hours worked has been updated to include outsourced personnel, who were previously excluded from these metrics. This change provides a more comprehensive view of the Company's workforce and better reflects the total labor resources supporting operations. Historically, outsourced workers represented a significant share of total hours worked, ranging from approximately 65% to 15% over the past five years, with a declining trend as many of these roles were progressively transitioned into permanent employment. The change over time therefore reflects primarily a structural shift in workforce composition, although it also captures some reduction in overall labor capacity in recent years.

To ensure consistency and comparability over time, historical data on employee count and hours worked has been retrospectively adjusted to align with the updated methodology.

Double Materiality Journey

Progress & Continuous Improvement

Building on the foundations established in 2024, HansaMatrix continued to strengthen its ESG framework in 2025, with a focus on improving data quality, reinforcing governance and reporting processes, and further integrating material ESG topics into business decision-making. These efforts support greater consistency, audit readiness, and alignment with ESRS requirements.

Enhancing ESG data collection and validation processes
to improve accuracy, consistency and audit readiness.

2025 progress - New performance metrics were introduced to enhance the monitoring of key topics such as time-to-hire, employee retention rate, training hours per employee, and intranet engagement metrics.

Outcome - These improvements enhanced the availability of ESG data and strengthened the company's ability to monitor performance over time.

Next focus - Further improve data quality controls, system integration, and documentation of reporting methodologies by strengthening validation processes, expanding KPI tracking, and aligning data systems with ESRS requirements.

Embedding material ESG topics into risk management and business processes
to support long-term resilience and strategic alignment.

2025 progress - ESG-related risk awareness was strengthened through targeted training initiatives, including cybersecurity training programs completed during the year.

Outcome - This supported stronger internal awareness of ESG-related risks and reinforced the integration of material topics into day-to-day decision-making.

Next focus - Further embed ESG considerations into strategic planning, risk oversight, and business operations by integrating ESG into decision-making processes, expanding risk awareness training, strengthening stakeholder engagement and implementing customer satisfaction monitoring.

Enhancing internal policies, controls, and reporting methodologies
in line with the ESRS reporting architecture.

2025 progress - The underlying reporting methodology was further aligned with ESG standards through the refinement of employee-related metric allocations and associated cost structures. In addition, 44% of internal policies were reviewed and updated during the reporting period.

Outcome - These improvements supported greater consistency, transparency, and readiness for future reporting and assurance requirements.

Next focus - Continue strengthening governance controls and further align reporting methodologies with evolving ESRS expectations enhancing compliance processes, advancing cybersecurity readiness, improving risk management practices, and expanding supplier ESG due diligence and ethics training coverage.

Environmental.

Environmental Management

HansaMatrix acknowledges the significant environmental impacts and opportunities associated with its operations and value chain. As part of the commitment to sustainability and responsible business practices, the company has assessed the materiality of key environmental topics to better understand the relevance and potential influence on the stakeholders and financial performance.

The most material topics identified include climate change mitigation, resource use and waste (circularity), energy, and pollution and substances of concern. These topics reflect both the actual and potential impacts of the business on the environment as well as the associated financial risks and opportunities.

- **Climate Change Mitigation** represents a high-impact opportunity area, both environmentally and financially. Through the support for technologies that drive the transition to a low-carbon economy, HansaMatrix contributes positively to emission reduction efforts. At the same time, the company recognizes the greenhouse gas (GHG) emissions associated with the operations and supply chain, as well as potential financial risks related to regulatory compliance and supply chain complexity.

- **Resource Use and Waste (Circularity)** presents a direct and significant area of environmental impact. Challenges stem from raw material sourcing, waste generation, and end-of-life product management. As circular economy practices gain momentum and regulatory scrutiny increases, HansaMatrix sees strategic opportunities in sustainable lifecycle innovation, including design improvements, material efficiency, and greater recyclability.

- **Energy Consumption** is both a contributor to GHG emissions and a key area of operational cost. HansaMatrix is committed to improving energy efficiency and expanding the use of renewable energy sources, with the dual aim of reducing the carbon footprint and enhancing financial performance.

- **Pollution and Substances of Concern** remain a critical compliance area, particularly under regulations such as the RoHS Directive and REACH. While currently assessed as a potential rather than actual impact, the financial and reputational risks of non-compliance are significant. HansaMatrix addresses these through strict internal controls and close collaboration with suppliers and clients.

Environmental Management

HansaMatrix environmental performance is guided by a dual materiality approach, recognizing the interplay between environmental impact and financial outcomes. By addressing these topics proactively, HansaMatrix strives to enhance its resilience, meet stakeholder expectations, and contribute positively to global environmental goals.

Actual impact

- E5 Resource use and waste (circularity)
- E1 Energy

Potential impact

- E1 Climate change mitigation
- E1 Climate adaption
- E2 Pollution and substance of concern

The strategy focuses on minimizing resource consumption, reducing waste, and maximizing reuse and recycling through circular economy principles. HansaMatrix supports the transition to electric vehicles, mitigates the environmental and health impacts of pollutants while ensuring regulatory compliance and enhances resilience against climate-related hazards through strategic planning and risk management.

To support the environmental goals and align with regulatory expectations and industry best practices, HansaMatrix has set the following key performance indicators (KPIs):

KPI Target	*Status in 2025*
• Meet regulatory and other environmental protection requirements; prevent pollution from company activities, aiming for 0 incidents.	**Achieved**
• Reduce waste generation by increasing the percentage of materials recycled or reused within the company by 3% annually.	**Baseline Year**
• Implement a risk management system to and assess human rights and environmental issues in the value chain.	**Deferred to Next Period**
• Achieve a 3% annual reduction in $kgCO_2$/Wh (working hour) intensity.	**Not Achieved**
• Reduce energy consumption by 3% Mwh/Wh annually.	**Not Achieved**

Environmental Management

Climate Change Mitigation

The climate change mitigation strategy aims to decrease CO_2 intensity per Wh by 3% annually through the integration of climate targets into strategic planning. Progress is monitored using key data, including achieved versus expected GHG emissions, measured tonnes of CO_2 equivalent, and separate disclosure of Scope 1, 2, and 3 emissions.

HansaMatrix's GHG emissions primarily result from energy consumption across its operations, including electricity used in offices and production facilities, district heating at the Ventspils plant, liquefied gas at the Ogre plant, and natural gas at the Marupe metal facility and management office, as well as fuel used for business travel in employee vehicles and company-owned cars.

Scope 1

Direct emissions

- Liquefied Gas (LPG for heating)
- Natural Gas
- Company Cars

Scope 2

Indirect emissions

- Electricity
- Heating

Scope 3

Other indirect emissions

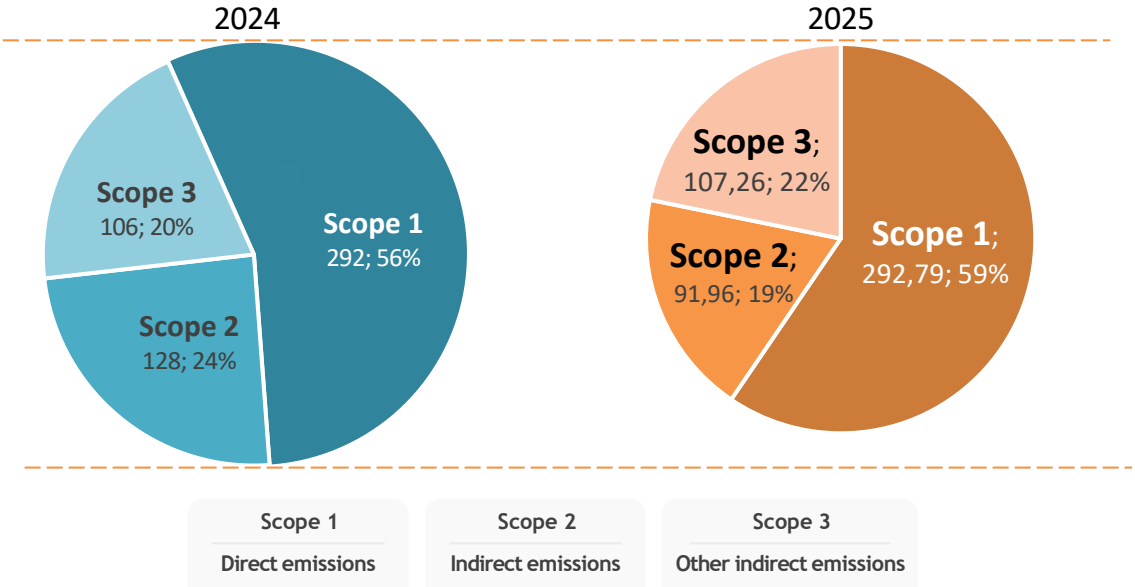
- Employee Cars

All emissions reported in t CO_2

Carbon dioxide emissions at HansaMatrix are calculated in accordance with the methodology of the Latvian Environment, Geology and Meteorology Centre, which is reviewed and updated annually, as well as with the national methodology for calculating the impact of measures and projects on climate change, as defined in Cabinet Regulation No. 42 "Methodology for Calculating Greenhouse Gas Emissions" (23 January 2018), as amended, and other applicable national regulations.

Environmental Management

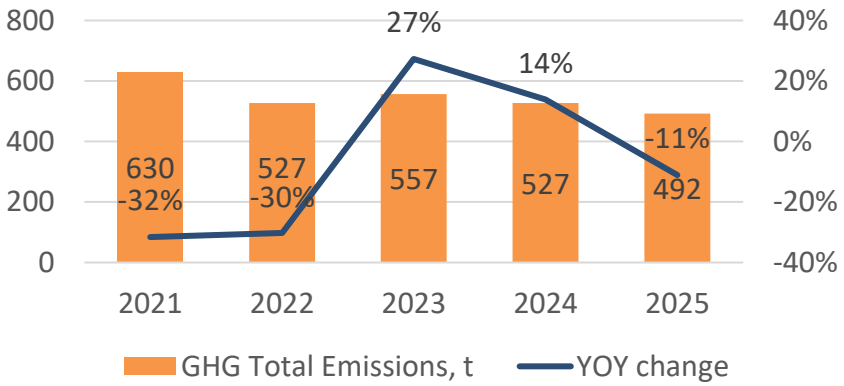
GhG Emissions t/CO2 by Scope



Total emissions decreased in 2025 compared to 2024, from 527 tonnes to 492 tonnes, representing a **reduction of approximately 6.6%**, as illustrated in the chart.
Scope 1 emissions increased slightly to 292.79 t CO_2 (2024: 292.56 t), accounting for 59% of total emissions. Scope 2 emissions decreased to 91.96 t CO_2 (2024: 128 t). Scope 3 emissions increased marginally to 107.26 t CO_2 (2024: 106.24 t), representing 22% of total emissions.

GhG emissions, t/CO2

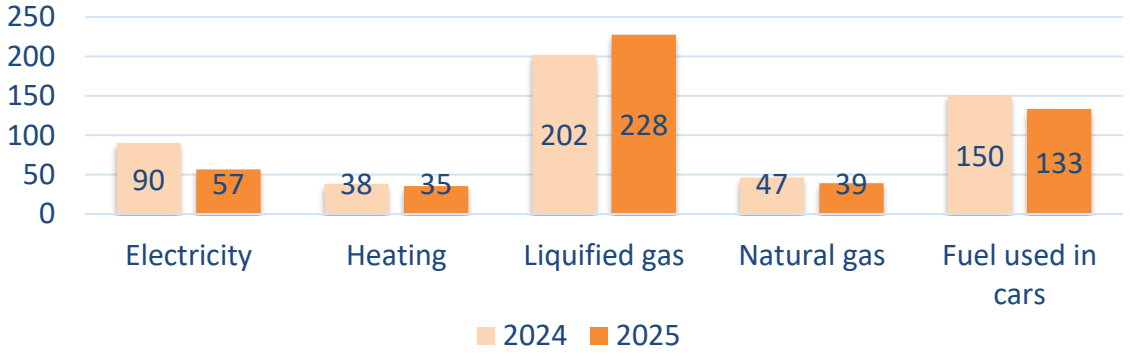
The company's **total greenhouse gas** (GHG) emissions, measured in tonnes of CO_2 equivalent, **show a downward trend** over the past five years.



In 2025, total GHG emissions reached 492 tonnes. This is about 22% lower than the 2021 level of 630 tonnes.
After a notable drop in 2022, emissions rose slightly in 2023, due to increased production activity.
However, the downward trend resumed in 2024 and continued into 2025, reflecting ongoing progress in improving energy efficiency and optimizing processes.

Environmental Management

GhG emissions, t/CO2



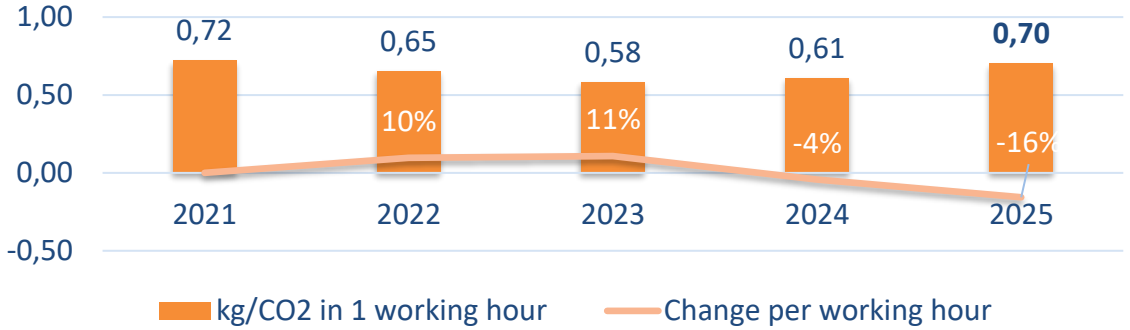
In 2025, emissions from electricity decreased significantly to 57 tonnes, compared to 90 tonnes in 2024. This reduction was primarily driven by the procurement of green electricity, which reduced the emissions associated with purchased electricity. Heating-related emissions declined slightly, from 38 to 35 tonnes.

At the same time, emissions from liquefied gas increased from 202 tonnes in 2024 to 228 tonnes in 2025. This rise is linked to the transition from natural gas to liquefied gas, as implemented by the Group company HansaMatrix Pārogre. As a result, emissions from natural gas decreased from 47 to 39 tonnes.

Emissions from fuel used in cars were reduced from 150 tonnes in 2024 to 133 tonnes in 2025, mainly due to the partial electrification of the vehicle fleet, which reduced overall fuel consumption.

GhG Emission Intensity (kg/CO2) per Working Hour

HansaMatrix reports greenhouse gas (GHG) emission intensity per working hour to better reflect the relationship between emissions and the time spent producing products.

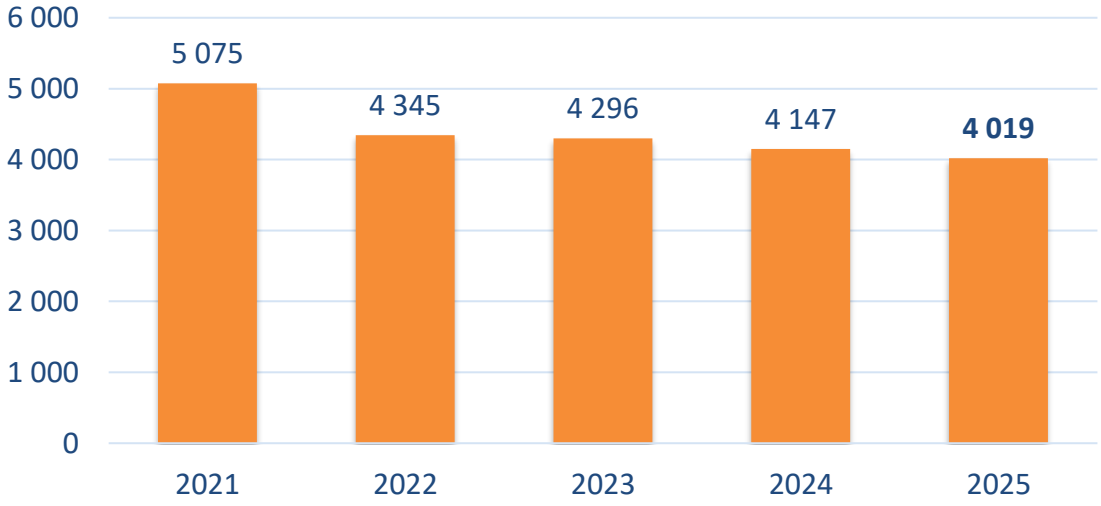


**Figures include outsourced personnel and have been restated for comparability following a methodology update.*

In 2025, GHG emission intensity per working hour reached 0.70 kg CO_2, representing a 16% increase compared to 2024. Previously, it had declined to 0.58 kg CO_2 in 2023, followed by a rise to 0.61 kg CO_2 in 2024 and a further increase in 2025. The increase is mainly driven by lower activity levels relative to hours worked, while a share of operational emissions remained structurally fixed. As a result, GHG emission intensity per working hour increased slightly despite remaining below historical levels. These results indicate that the **2025 target was not achieved**, as GHG emission intensity per working hour did not decrease by 3% year-on-year.

Environmental Management

Energy Usage, MWh

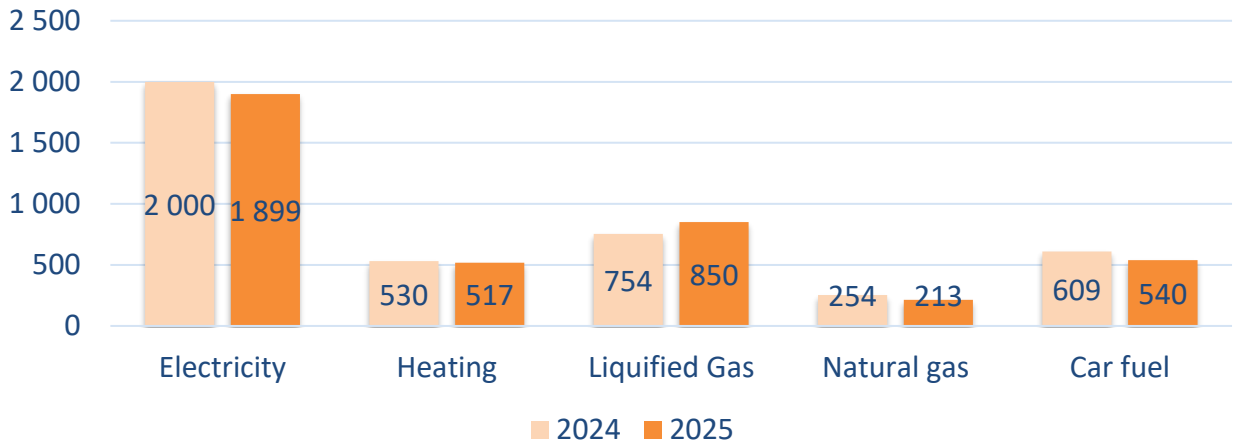


HansaMatrix continues to optimize its energy consumption to improve efficiency and reduce environmental impact.

In 2025, **total energy use decreased** further to 4,019 MWh from 4,147 MWh in 2024, maintaining a steady downward trend. Over the five-year period, energy consumption has consistently declined, with a reduction of around 21% compared to 2021. This reflects the company's ongoing commitment to sustainability and efficient operations.

Environmental Management

Energy Usage split by type, MWh



HansaMatrix's energy consumption has been calculated based on meter readings and documentation of energy volumes purchased from suppliers.

In 2025, electricity consumption decreased by approximately 5.1% to 1,899 MWh (from 2,000 MWh in 2024), while heating and natural gas usage declined by around 2.5% and 7.5%, reaching 517 MWh and 235 MWh respectively. Meanwhile, liquefied gas consumption increased by about 12.7% to 850 MWh, reflecting the continued shift from natural gas to LPG at HansaMatrix Pārogre.

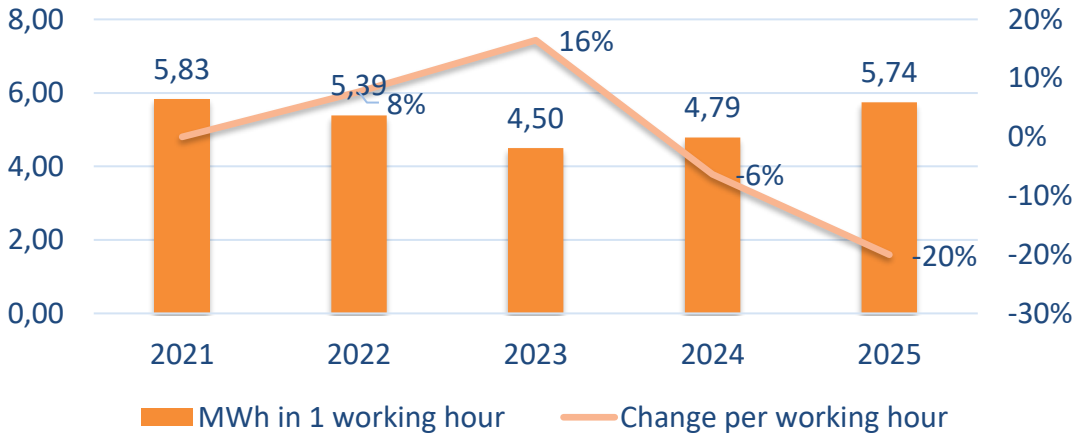
Energy consumption for transport (car fuel) decreased by approximately 11.3% to 540 MWh compared to 609 MWh in 2024, mainly due to increased use of electric vehicles. Overall, the data reflects ongoing changes in energy sources alongside gradual improvements in energy efficiency.

Renewable Energy Sourcing

A significant share of purchased electricity is sourced from renewable energy generated in Latvia, as certified by the supplier, supporting the reduction of Scope 2 emissions.

Environmental Management

Energy Consumption (Mwh/Wh) per Working Hour



**Figures include outsourced personnel and have been restated for comparability following a methodology update.*

In 2025, energy consumption per working hour increased to 5.74 MWh/Wh, representing a 20% rise compared to 2024. This followed a decrease from 6% to 4.79 MWh/Wh in 2024, after the indicator had declined from 6% in 2022 to 4.50 MWh/Wh in 2023.

As a result, the KPI target to achieve a 3% annual reduction in energy consumption intensity (MWh/Wh) was not met in 2025. The increase was primarily driven by lower production volumes in relation to working hours, while a portion of energy consumption remained relatively fixed**.**

Pollution and Substance Control

In 2025, HansaMatrix operated a fleet of 14 vehicles, of which 6 were **electric, representing approximately 43% of the total fleet**. This reflects significant progress compared to the previous year and demonstrates the company's ongoing commitment to reducing emissions and promoting sustainable transportation.

HansaMatrix focuses on minimizing pollutants and hazardous substances, ensuring compliance with regulations. A total of 6.10 tonnes of hazardous waste were properly treated and disposed of, and **the KPI of maintaining zero incidents related to hazardous substances was achieved** during the reporting period. Hazardous waste decreased by approximately 43.8% in 2025 compared to 2024, mainly due to lower production hours, resulting in reduced use of hazardous materials.

Nitrogen usage rose to 1,056 tonnes (+3% vs. 2024), primarily due to a more nitrogen-intensive production mix and increased utilization of reflow soldering ovens and other soldering equipment to maintain process quality and reliability.

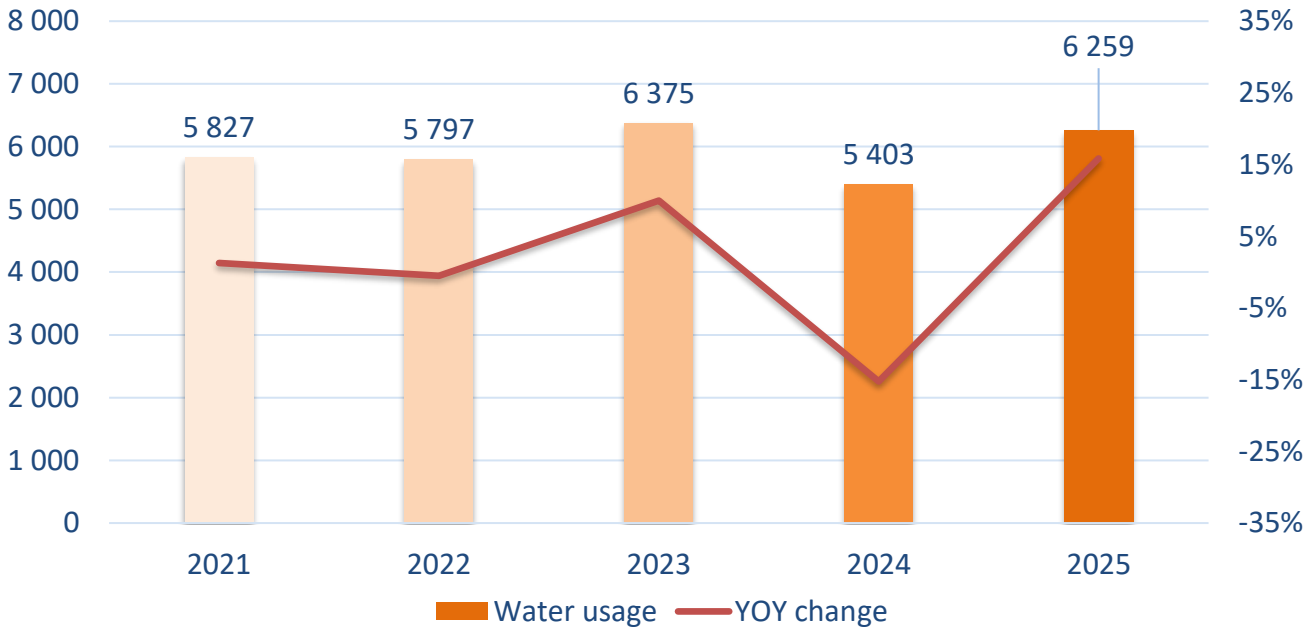
HansaMatrix has identified the **goal of reducing waste generation by increasing the percentage of materials recycled or reused within the company by 3% annually. 2025 serves as the baseline year for this KPI**, as data collection on materials recycled or reused within the company was initiated during the reporting period. As a result, year-on-year performance against the 3% improvement target will be assessed from 2026 onward.

Environmental Management

Water Usage, m3

In 2025, HansaMatrix water consumption totaled 6,259 m³, representing an increase of approximately 16% compared to 2024.

The increase in water consumption in 2025 compared to 2024 was primarily attributable to more intensive use of indoor air humidification systems due to climatic conditions. Additionally, one production location was included in the water consumption reporting base for the first time in 2025, contributing an additional 460 m³ to total reported consumption. Accordingly, the year-on-year increase does not solely reflect operational changes.



Supply Chain Due Diligence

During the reporting period, HansaMatrix continued to advance the implementation of a risk management system intended to identify and assess human rights and environmental risks across its value chain. As the initiative remained in progress in 2025, further updates on implementation and results will be provided in future reporting periods.

ENVIRONMENTAL - Next steps

The company will focus on improving resource efficiency and aligning energy consumption with production levels, while advancing waste reduction and circularity initiatives.

Further efforts will target emission intensity improvements and enhanced monitoring of environmental performance indicators.

Social.

Social Development

As a technology-driven manufacturing company, HansaMatrix recognizes that people are at the core of the success. Manufacturing activities naturally involve potential risks related to working conditions, health, and safety — areas that remain top priorities for the stakeholders, as confirmed by the recent ESG materiality survey. Labor practices and workplace well-being are therefore central to the sustainability strategy.

A critical social issue with direct financial implications for HansaMatrix is talent attraction and development. Amid growing challenges in the technology sector — including a shortage of qualified professionals and the need for generational renewal – the company is committed to investing in the people, fostering long-term engagement, and building a resilient, future-ready workforce.

Potential impact

S1 Working conditions, health and safety of employees

S1 *Entity specific* Talent attraction and development

S1 Equal treatment and opportunities for all

The strategy ensures long-term employee stability, job safety, and compliance with labor laws. It continuously enhances employee skills and awareness while fostering an ethical, inclusive, and non-discriminatory work environment.

To support these commitments, HansaMatrix is focused on maintaining safe and inclusive working environment, enhancing employee qualifications, and ensuring fair treatment for all. The goals are guided by the following targets and performance indicators:

KPI Target	*Status in 2025*
• Achieve a sustainable ENPS score of over 50 by 2026.	**Achieved**
• Design the intranet as a centralized platform to keep employees informed and engaged while providing easy access to essential resources by 2027.	**Achieved**
• Ensure zero penalties for labor law infringement.	**Achieved**
• Enhance employee qualifications by providing learning opportunities and skill-building initiatives to support professional growth. Increase training hours per employee by 5% annually.	**Achieved**
• Maintain employee turnover rate below 15% while ensuring fair treatment and a non-discriminatory workplace.	**Not Achieved**
• Foster a harassment-free environment where all employees are treated with respect and dignity. Target zero complaints related to equal treatment from whistleblowers.	**Achieved**

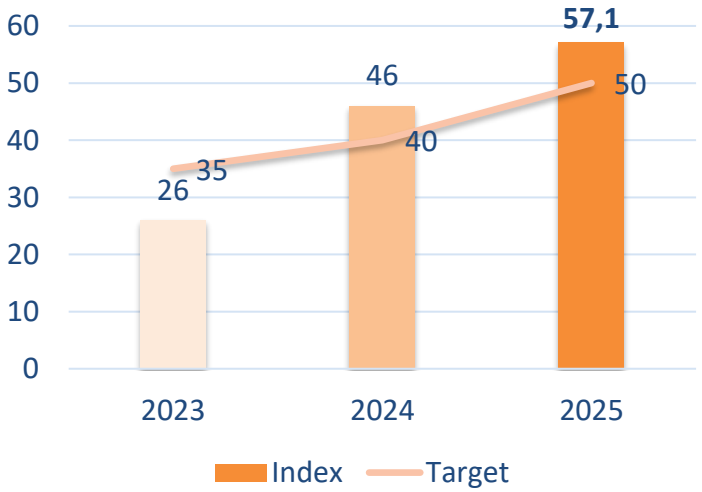
Social Development

(S1) Working Conditions, Health and Safety of Employees

ENPS Score

HansaMatrix regularly measures employee satisfaction through engagement surveys (ENPS). Existing employees highly value the additional benefits provided by the company, such as extra vacation days and financial support in various life situations. To support employee motivation, the company is implementing a fair and transparent system for bonuses and incentives. Significant improvements were made in 2024, which are already reflected in the ENPS results, and HansaMatrix is continuing to build on this progress in 2025.

ENPS Result



Since 2024, the company has transitioned from conducting quarterly surveys to a biannual schedule, which it plans to maintain going forward.

In 2023, the ENPS target was set at 35 points. For 2024, the target was increased to 40 points, reflecting a higher level of ambition in employee engagement. In 2025, the ENPS score further improved to 57, surpassing the target of 50.

This performance supports the company's KPI goal to achieve and sustain an ENPS score above 50 by 2026.

Intranet

In 2025, HansaMatrix made significant progress in the development and implementation of its centralized intranet platform. During the second half of the year, active collaboration with external IT developers was complemented by substantial contributions from the internal IT team, leading to the successful completion and launch of the platform.

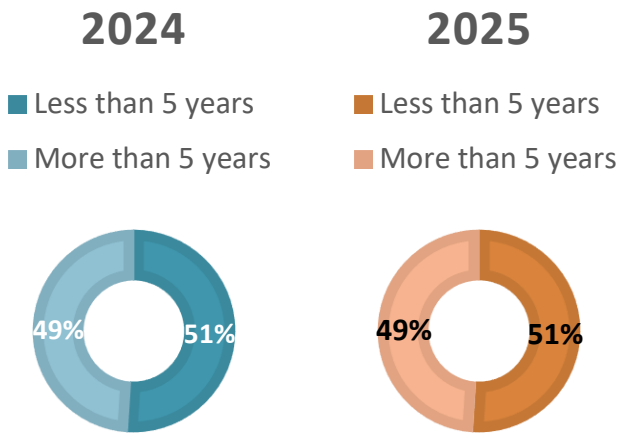
The first phase of the intranet includes key functionalities such as an employee contact directory, company structure and entity information, a centralized document platform, and a catering module. The platform is now ready for employee use and will support improved internal communication and engagement across the organization.

Following the implementation of the intranet, the company intends to monitor the percentage of active intranet users as a key metric for internal communication and employee engagement.

The successful launch of the intranet platform marks substantial progress toward achieving the 2027 goal of a centralized, employee-focused digital environment.

Social Development

Employees Length of Service



**Figures include outsourced personnel and have been restated for comparability following a methodology update.*

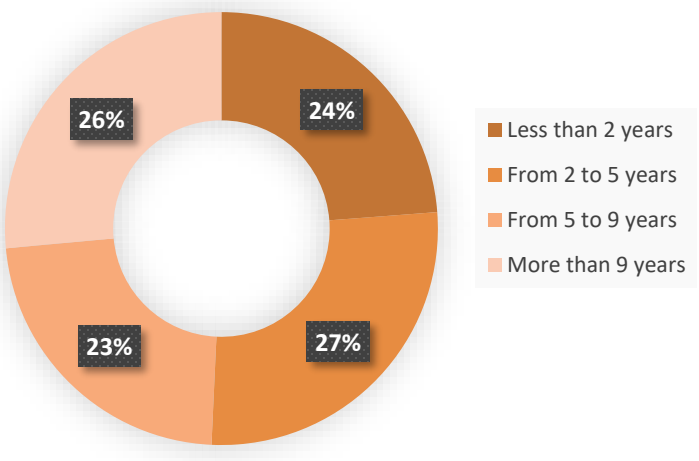
In 2025, the distribution of employee tenure remained unchanged compared to 2024. Employees with less than five years of service accounted for 51% of the workforce, while those with more than five years represented 49%.
This stable distribution indicates consistent employee retention and a balanced workforce structure, supporting the company's ability to maintain both experienced personnel and new talent.

Employees Length of Service, 2025

In 2025, the majority of HansaMatrix employees (76%) had been with the company for more than two years.

Specifically, 27% of employees had between two and five years of service, 23% between five and nine years, and 26% more than nine years. Meanwhile, 24% of employees had been with the company for less than two years.

These figures indicate a stable workforce structure and reflect strong employee retention and long-term commitment within the company.



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Social Development

Employee Health, Safety and Return-to-Work Metrics

In 2025, HansaMatrix initiated the tracking of return-to-work rates after parental leave. During the reporting period, a total of 14 employees returned to work after parental leave, while the parental leave period ended for 6 employees, **resulting in a return-to-work rate of 70%.**

In addition, the company began monitoring work-related injuries and health incidents. In 2025, **no fatalities or cases of work-related ill health were recorded**, while 1 recordable work-related accident occurred. A total of 29 days were lost due to work-related injuries and health-related incidents.

These results mark the first year of data collection and provide a basis for monitoring employee well-being, safety performance, and retention in future reporting periods.

Social Development

(S1) Talent Attraction and Development

Training Hours	Training / Employee	Time to Hire	Retention Rate
7,930	19 h per employee	26 days	63%
↑ +53% (above baseline)	Target achieved	Baseline established	Baseline established

In 2025, HansaMatrix continued strengthening its approach to employee development and recruitment metrics by expanding data tracking and increasing overall training efforts.

Total training hours reached 7,930 in 2025, compared to 5,185 in 2024, reflecting a strong commitment to employee development.

In 2025, employees received an average of 19 training hours per employee, representing a 27% increase compared to 2024 and **exceeding the company's target of a 5% annual increase**. In 2024, the average stood at 15 hours per employee. This demonstrates strong progress in employee skill development initiatives.

In addition, the company introduced new recruitment efficiency metrics. In 2025, the average time to hire was 26 days, while the retention rate of new employees reached 63%, providing initial insights into hiring quality and long-term employee integration.

Overall, the results demonstrate continued progress in employee qualification development, recruitment monitoring, and the strengthening of human capital management practices.

(S1) Equal Treatment and Opportunities for All

Labor Law Compliance

HansaMatrix places strong emphasis on compliance with labor laws as a fundamental element of responsible business conduct and employee well-being. Adherence to applicable legal requirements ensures fair treatment, safe working conditions, and the protection of employee rights across all operations.

The company is committed to maintaining a transparent and compliant work environment, supported by internal policies, regular monitoring, and continuous improvement practices. This commitment is reflected in the company's target to ensure zero penalties for labor law infringement and to uphold a fair, ethical, and non-discriminatory workplace for all employees.

Social Development

(S1) Equal Treatment and Opportunities for All

Gender Diversity in Management

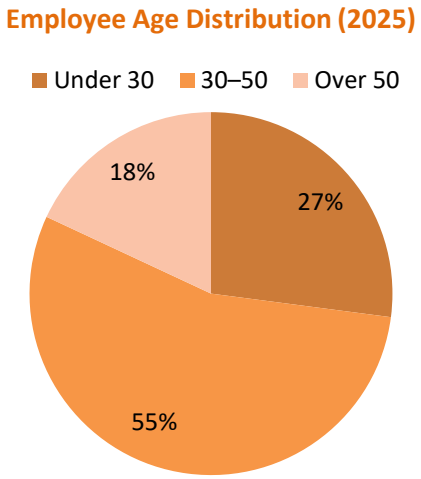
In 2025, HansaMatrix began tracking gender diversity in management positions for the first time, marking an important step in strengthening transparency and advancing diversity, equity, and inclusion practices. At the end of the reporting period, the company had a total of 31 management positions, of which 10 were held by women, representing approximately 32% of all management roles. These results provide a baseline for monitoring progress toward gender balance in leadership and demonstrate HansaMatrix's commitment to fostering equal opportunities and inclusive decision-making structures.

Incidents of Discrimination or Harassment

In 2025, **HansaMatrix did not record any incidents of discrimination or harassment in the workplace**, in line with its KPI target to foster a harassment-free environment and ensure zero complaints related to equal treatment. The company remains committed to fostering an inclusive, respectful, and safe working environment for all employees, supported by clear policies and internal reporting mechanisms.

Employee Age Group Distribution

Understanding the age structure of the workforce is essential for effective human capital planning and ensuring a balanced and sustainable employee base.
In 2025, HansaMatrix introduced the tracking of employee distribution by age group, providing its first set of data for this indicator. At the end of the reporting period, 111 employees were under 30 years old, 227 employees were aged between 30 and 50, and 74 employees were over 50 years old. This distribution indicates a balanced workforce structure, with a strong representation of mid-career employees complemented by both younger and more experienced age groups.

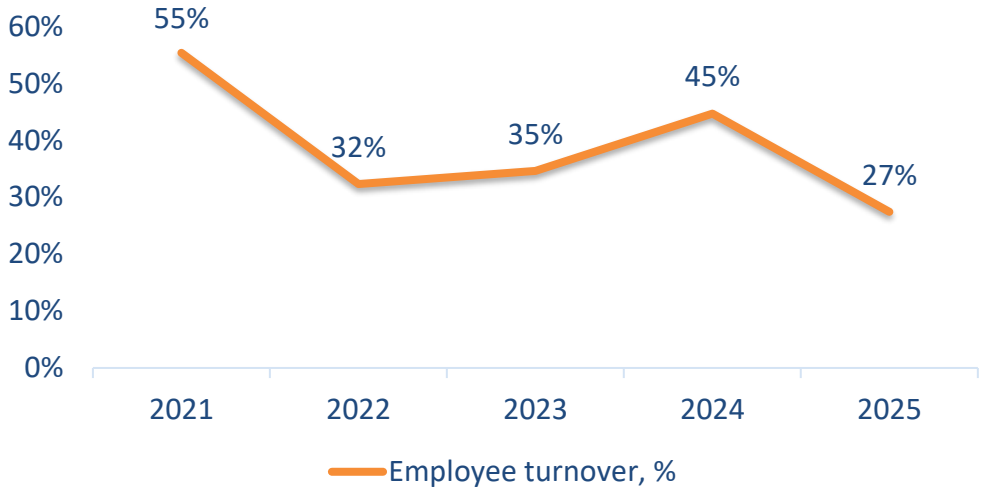


**Figures include outsourced personnel and have been restated for comparability following a methodology update.*

These results establish a baseline for monitoring age diversity and will support future workforce planning, inclusion initiatives, and the development of targeted engagement and retention strategies across different age groups.

Social Development

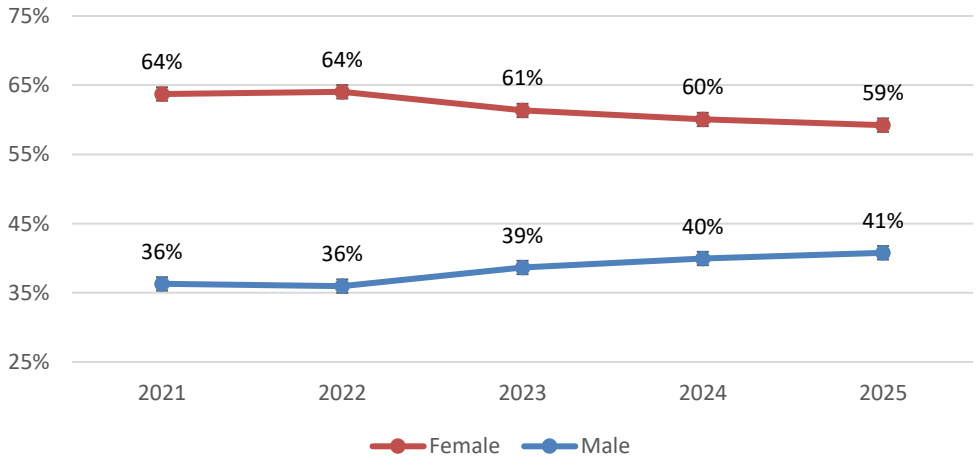
Employees Turnover Rate %



**Figures include outsourced personnel and have been restated for comparability following a methodology update.*

In 2025, employee turnover decreased to 27%, representing the lowest level recorded to date and indicating improved workforce stability following prior adjustments. In 2024, turnover had increased to 45%, mainly due to layoffs in the production department driven by reduced production volumes. While this represents significant progress, **the result remains above the KPI target of maintaining employee turnover below 15%.**

Employee Gender Distribution, %



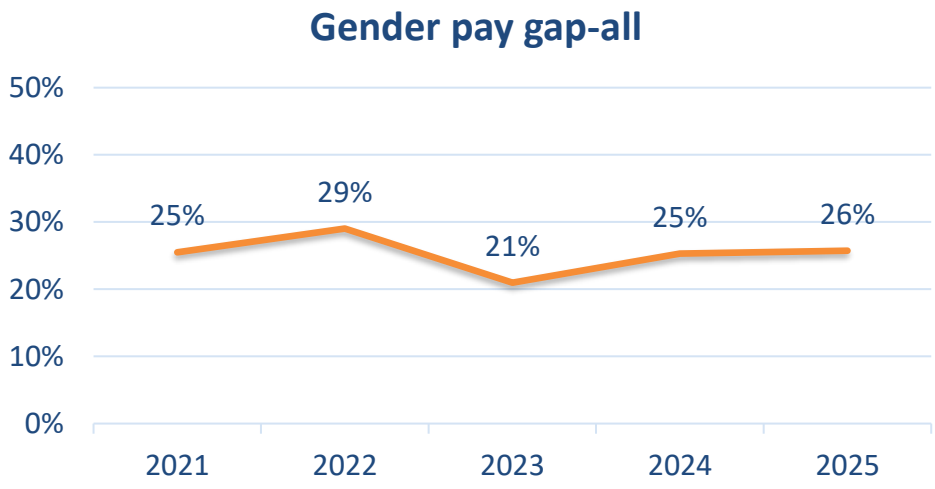
In 2025, the share of female employees decreased to 59%, while the proportion of male employees increased to 41%. In 2021–2022, the share of male employees was 36%.

Overall, the gender distribution remained relatively balanced over the reporting period, reflecting a gradual shift towards a more balanced gender composition within the workforce.

Social Development

HansaMatrix complies with all laws and regulations in force in the Republic of Latvia applicable to employment. In addition to their monthly salary, employees receive bonuses and social guarantees. Employees are granted fully paid health insurance and life insurance with a value of 1 net annual salary. The company provides material help to employees in a variety of life situations.

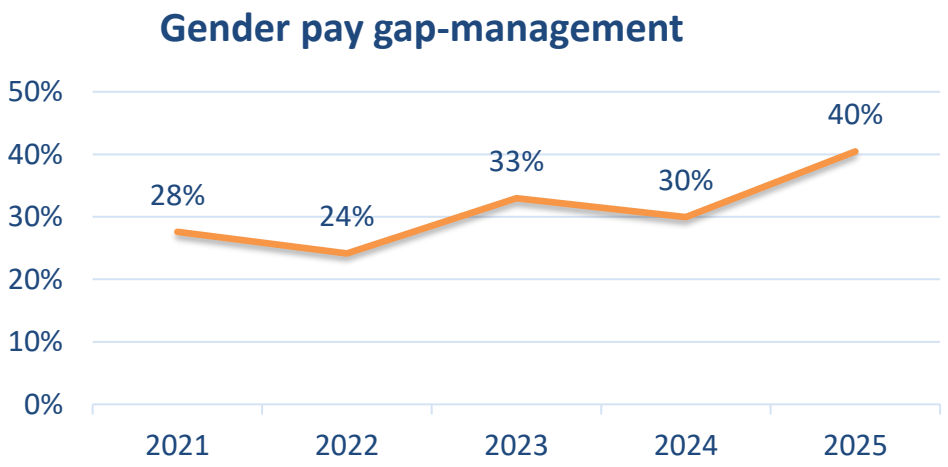
Remuneration of Employee's Gender Pay Gap



The gender pay gap across the overall workforce has varied over the past five years, remaining within a range of 21% to 29%. In 2025, the gap reached 26%, meaning that on average, male employees earned 26% more than female employees.

These differences are largely influenced by workforce structure, including the distribution of roles and seniority levels, where male employees are more frequently represented in higher-level or specialized positions.

Social Development



In 2025, the gender pay gap for management employees increased to 40%, indicating that, on average, male management employees earned more than female management employees. This follows a slight decline to 30% in 2024 and a level of 33% in 2023. Overall, the data indicates continued fluctuations in the gender pay gap in recent years.

The 40% gap reported for 2025 represents the difference in average earnings across all classified as managers employees. The population included in this metric covers a wide range of management roles, including both senior executive and operational leadership positions, which carry different pay levels.

Therefore, the result is affected by role mix and should not be interpreted as a direct comparison of pay for men and women in equivalent positions. The trend nevertheless highlights the importance of ongoing review of pay equity and gender representation across management levels.

HansaMatrix remains committed to ensuring fair and transparent remuneration practices and will continue monitoring and addressing structural pay disparities.

SOCIAL - Next steps

The company will continue strengthening employee engagement, development, and retention initiatives, while expanding data-driven workforce management practices. Future efforts will focus on improving retention, enhancing diversity and inclusion, and further developing employee well-being and safety monitoring systems.

Governance.

Corporate Governance

To remain competitive in the market, HansaMatrix is committed to upholding high standards of corporate governance, with an emphasis on ethical, transparent, and responsible business conduct. Strong governance practices are essential for maintaining stakeholder trust, mitigating risks, and ensuring long-term business sustainability.

For HansaMatrix, governance also includes entity-specific focus areas such as risk management, quality control, and advancement in digitalization, automation, and cybersecurity. These areas are considered strategically important, as they may have a significant impact - both positive and negative - on the company's financial performance as well as its environmental and social footprint.

HansaMatrix integrates these governance priorities into its daily operations and long-term strategy to ensure resilience, accountability, and value creation for all stakeholders.

Potential impact

G1 *Entity specific*
Digitalization, automation & cybersecurity

G1 *Entity specific*
Risk management & quality control systems

G1 **Management of relationships with suppliers (Sustainability of suppliers)**

G1 **Corporate culture**

G1 **Ethical, responsible & transparent business conduct (Anti-corruption and bribery)**

G1 *Entity specific*
Regulatory compliance

Corporate Governance

HansaMatrix upholds strong governance through a robust cybersecurity and data privacy program, a transparent risk management framework, and strict compliance with legal and regulatory requirements. It enforces guidelines that include expected behaviors, actions, and responsibilities for employees, as well as a Supplier Code of Conduct that covers labor, safety, environmental, and ethical standards. By integrating ethical business practices and promoting a strong corporate culture, the company ensures accountability, sustainability, and operational excellence.

To strengthen governance outcomes and support sustainable development, HansaMatrix has set the following key targets:

KPI Target	*Status in 2025*
• Protect personal data from unauthorized access, ensure compliance with legal obligations regarding data protection, and achieve NIS2 compliance by 2026.	**In Progress**
• Conduct annual materiality risk assessments in cooperation with key stakeholders.	**Achieved**
• Revise the Supplier Code of Conduct to incorporate ESG principles and ensure that the top 20 suppliers complete a self-assessment and due diligence questionnaire by the end of 2025.	**Deferred to Next Period**
• Ensure that 100% of employees receive training on company values, ethical behavior, and guidelines outlining expected behaviors, actions, and responsibilities.	**Deferred to Next Period**
• Maintain a policy of zero tolerance for bribery, corruption, and irregularities, and promote fair, transparent, and sustainable business practices.	**Achieved**
• Achieve a Customer Net Promoter Score (C-NPS) of 80.	**Achieved**
• Ensure full compliance with all applicable laws and regulations.	**Achieved**

These objectives reflect a commitment to sound governance, ethical leadership, and value creation for all stakeholders.

Corporate Governance

Cybersecurity and Data Protection

The company continues to maintain and enhance its cybersecurity and data privacy program, ensuring it remains adaptive to evolving cyber threats and regulatory requirements.

HansaMatrix key commitments in this area include:

- **Protecting personal data** against unauthorized access and misuse;
- **Ensuring compliance** with all applicable legal and regulatory requirements related to data protection;
- Progressing towards **full compliance with the EU NIS2 Directive** by 2026, further strengthening resilience to cybersecurity risks and enhancing the security of digital infrastructure.

In 2025, the company further strengthened its monitoring, internal controls, and awareness practices to support continuous improvement in cybersecurity and data protection. A total of 412 employees were employed during the year, of which 284 completed mandatory cybersecurity training, representing 69% of employees. No data breaches were recorded during the reporting period, indicating effective implementation of cybersecurity measures.

Risk Management and Quality Control

The company continues to develop a robust and transparent risk management framework and quality control system to meet ESG governance standards, minimize risks, and ensure operational excellence.

Key actions include:

- Conducting **systematic and regular risk materiality assessments** involving key stakeholders;
- Embedding **ESG risk factors and quality control processes** into the company's existing governance and operational frameworks;
- Ensuring that risk management and quality systems are **regularly reviewed and adapted** to address evolving risks and compliance requirements.

HansaMatrix has an approved Risk Management Policy (approved by the Supervisory Council on July 29, 2021), which outlines the fundamental principles for effective risk identification, assessment, and mitigation.

In 2025, risk management processes continued to be actively applied and monitored, supporting both strategic planning and day-to-day operations.

Responsible Supply Chain

In 2024, HansaMatrix recognized the importance of integrating ESG principles into supply chain management. The company had planned to adopt a Supplier Code of Conduct in 2025, covering key areas such as labor rights, health and safety, environmental impact, ethics, and management systems. However, as of the reporting date, the Code has not yet been implemented and remains under development.

Engagement with key suppliers was initiated in 2024 through a self-assessment and ESG due diligence questionnaire, with 85% of targeted suppliers completing the process. Further progress and outcomes will be disclosed in future ESG reports.

Corporate Governance

Corporate Culture and Ethics

HansaMatrix recognizes the importance of strong corporate culture and governance as key enablers of long-term success. The company has an established Code of Conduct and Ethics applicable to all employees, outlining clear expectations for ethical and responsible behavior.

In 2025, the company continued to strengthen awareness of its core values and ethical standards through onboarding, internal training, and leadership engagement. The objective remains to ensure that all employees receive training on company values and ethical behavior.

The Corporate Culture of Compliance Survey, initially planned for 2025, **has been deferred and will be implemented in the next reporting period**. Progress on these initiatives will be reported in future ESG disclosures.

Ethical, Responsible & Transparent Business Conduct

The company is committed to upholding the highest standards of ethical, responsible, and transparent business conduct by embedding these values into its overall strategy and daily operations. It recognizes that sustainable growth is closely linked to integrity, legal compliance, and respectful relationships with customers, employees, partners, and society. The approach is based on a strict zero-tolerance policy towards bribery, corruption, and any form of misconduct.

HansaMatrix maintains and enforces a comprehensive Code of Ethics that defines expected standards of conduct for employees and business partners, supporting fair, transparent, and responsible business practices. Ethics training completion remains an important performance indicator, alongside ongoing monitoring and reporting of any potential anti-competitive behavior or corruption risks. In 2025, 312 employees completed ethics training, representing a completion rate of 76%. While this reflects progress, the company has not yet achieved full training coverage. **In 2025, no cases of bribery or corruption were identified within the company**, confirming its continued commitment to ethical and compliant business operations.

Customer satisfaction C-NPS index

In 2024, HansaMatrix introduced a unified Customer Satisfaction (C-NPS) procedure across the entire Group. C-NPS is measured based on the key question: “Would you recommend HansaMatrix as a potential partner to other businesses?” using an evaluation scale from 0 to 10. Neutral respondents are excluded in accordance with the C-NPS methodology.

HansaMatrix has set a target to achieve a Customer Net Promoter Score of 80 by 2026. In 2025, the recorded C-NPS increased significantly to 83.87, compared to 71 in 2024, **exceeding the target level ahead of schedule**. This reflects strong improvements in customer satisfaction and service quality.

In accordance with the company’s internal procedures, the target level remains subject to annual review to ensure continued alignment with business goals and customer expectations.

Corporate Governance

Regulatory Compliance

The company's strategy is firmly rooted in full compliance with all applicable legal and regulatory requirements. HansaMatrix operates with integrity, transparency, and accountability, ensuring that its activities consistently meet the standards set by national and international legislation.

As part of this commitment, the company ensures continuous compliance with the Corporate Governance Code approved by the Ministry of Justice, maintains an up-to-date corporate strategy, and implements a structured risk management policy. The company maintains and regularly reviews a Risk Register, which is overseen by the Supervisory Board.

To ensure ongoing regulatory alignment, HansaMatrix applies a comprehensive set of internal policies, including the Ethics and Anti-Corruption Code, the Sustainability Policy, the Accounting Policy, and other corporate governance documents. An independently conducted external audit reinforces the transparency and accuracy of financial and operational reporting.

In 2025, the company introduced two key compliance indicators: the percentage of internal policies reviewed and updated, and the total value of fines or penalties due to non-compliance, with a target of zero. During the reporting year, 44% of internal policies were reviewed and updated. **The target of zero penalties was achieved.** The year also served as a baseline for further strengthening compliance processes and reducing non-compliance risks.

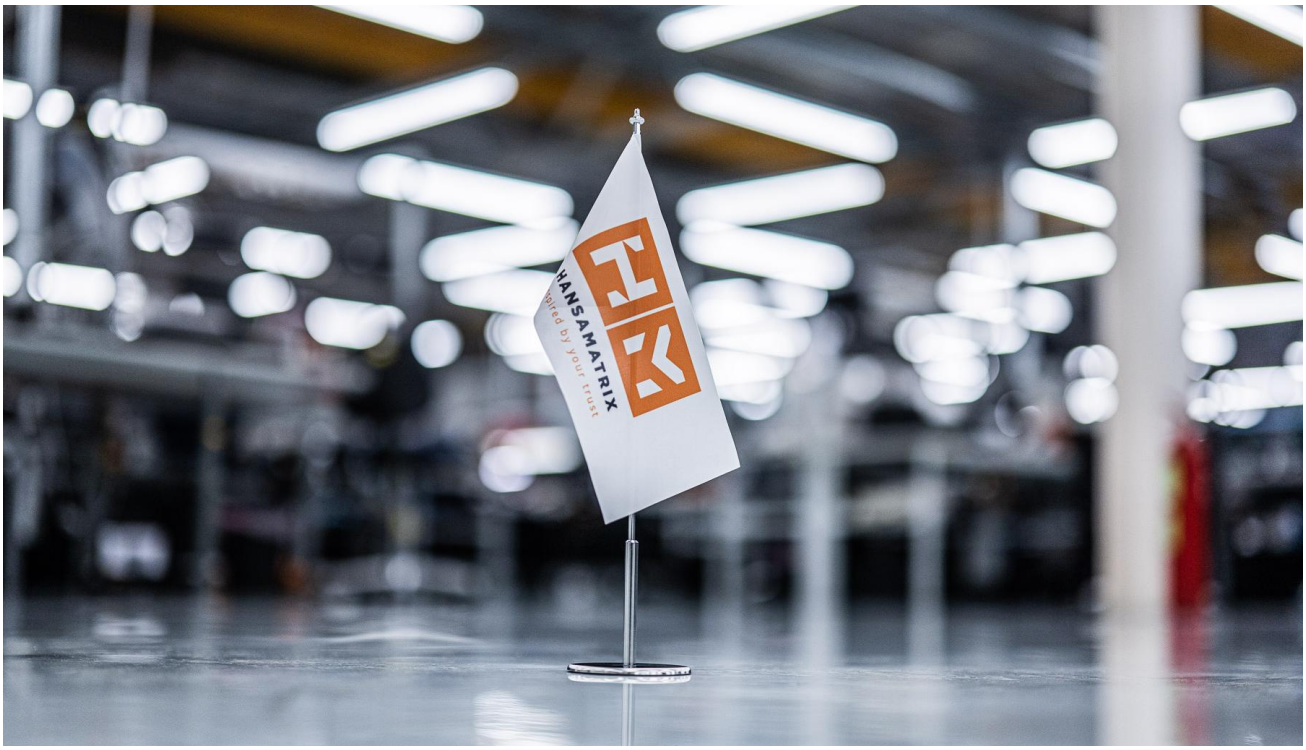
Management Board and Supervisory Council

As of 2025, the composition of the Supervisory Council remains unchanged, consisting of four members, including one woman (25% female representation). Its independence is ensured with two independent and two shareholder representatives, maintaining a 50% independence ratio and supporting transparent governance.
The composition of the Management Board also remained unchanged in 2025 and continues to consist of four male members.

GOVERNANCE- Next steps

The company will continue enhancing its governance framework by strengthening compliance processes, advancing cybersecurity readiness, and improving risk management practices. Priority will also be given to implementing supply chain ESG standards and expanding ethics and compliance training.

In addition, the company will focus on completing previously deferred initiatives, including revising the Supplier Code of Conduct to incorporate ESG principles, ensuring that key suppliers complete self-assessments and due diligence questionnaires, and ensuring that 100% of employees receive training on company values, ethical behavior, and expected standards of conduct.



Conclusion

In 2025, HansaMatrix continued to strengthen its ESG performance and advance alignment with CSRD and ESRS requirements. The company refined its double materiality assessment and improved data quality, supporting more consistent and reliable reporting.

Environmental performance showed continued progress in reducing total emissions over the longer term and lowering overall energy consumption. However, certain intensity-based targets were not achieved due to lower production volumes and fixed operational loads. The company also advanced the transition to more sustainable energy use and increased the share of electric vehicles.

In the social area, strong progress was achieved in employee engagement, with the ENPS score reaching 57 and exceeding the 2026 target. Investments in training and workforce development, together with reduced employee turnover to its lowest recorded level, reflect improved workforce stability.

Governance practices remained robust, with improvements in cybersecurity, risk management, and ethical conduct. No data breaches or cases of bribery or corruption were recorded. Customer satisfaction improved significantly, with the C-NPS score reaching 83.87, exceeding the target ahead of schedule.

HansaMatrix remains committed to continuous ESG improvement, focusing on stronger data systems, deeper integration into business processes, and enhanced stakeholder engagement in the coming years.