



# FRENDY

**Sustainability report 2025**



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# About the sustainability report





## Basis for preparation

### Reporting framework

This report has been prepared in accordance with the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), Basic Module. Comprehensive Module options are partly addressed alongside the Basic Module. The report is published voluntarily and builds on Frendy's prior sustainability reports for [2023](#) and [2024](#).

### Reporting period and frequency

1 January – 31 December 2025. The report is published annually. Where comparable data is available — most notably total GHG emissions and revenue — 2024 figures are shown alongside 2025. Broader 2023–2024 comparatives are referenced narratively via our prior sustainability reports rather than restated in full.

### Reporting boundary

The report covers Frendy Oy and all subsidiaries consolidated in the Group's financial statements. Operations in Finland are fully covered. Frendy's small, independent operation in Latvia is included in GHG reporting and is governed by the same principles as Finland but is treated as an estimate due to limited primary data. One company merged into Frendy in 2025. Its revenue and GHG emissions are included for the post-merger period only (September–December 2025). Social responsibility (personnel) figures are based on HR-system data as at 31 December 2025 and cover personnel in Finland only; the merged company's employees, onboarded in 2026, are excluded from 2025 personnel data.

### Disclosures included

The Basic Module disclosures B1–B11 are addressed in this report. Disclosures considered non-material to Frendy's operations have been omitted in line with the VSME "if applicable" principle, and the reason for omission is noted in the relevant section. The double materiality assessment was finalized in Q2 2025; customer and partner input collected in 2024 was incorporated using weighted response rates.

### Data sources, limitations and assumptions

Financial and personnel data are drawn from internal HR and finance systems, supported by quarterly personnel surveys. GHG and energy data were calculated using a third-party tool based on the GHG Protocol and assessed in a sustainability software platform for data collection and reporting. Scope 3 estimates rely on supplier data, industry averages and product use-phase assumptions. Forward-looking statements are based on current knowledge and may change.

AI tools were used to support data analysis and drafting; all content has been reviewed and validated by Frendy.

### Approval and assurance

The report has been reviewed and approved by Frendy's management. The report has not been externally verified or assured. Questions can be addressed to Frendy's sustainability team.



## Company description

### Legal form and ownership

Frendy is a private limited company headquartered in Finland. The Group was formed through a series of mergers starting in 2021 and is majority-owned by the Nordic private equity fund Procuritas.

### Sector and activities

NACE code: J62.02 – Computer consultancy activities (primary). Frendy provides a comprehensive portfolio of IT services for modern digital work: end-user IT services, cloud and data center services, cybersecurity and backup, local network services, IT devices and lifecycle management, and document management and meeting room technology.

### Geographic presence

Frendy operates from 15 locations across Finland – locally present, nationally available.

Our small, and independent operation in Latvia is included in the GHG reporting and is governed by the same principles as our operations in Finland.

### Sustainability-related certifications

Frendy holds an ISO 27001 information security certification, and our specialists maintain Microsoft 365 and Microsoft Azure certifications. The Group has calculated its GHG inventory annually since 2022 and is preparing for SBTi target validation.

### Sector exclusions (VSME C8)

Frendy generates no revenue from fossil fuels, chemicals, controversial weapons or tobacco, and is not excluded from EU Paris-aligned or Climate Transition Benchmarks.

### Scale of operations (2025)

- Revenue: €62.5 million
- Balance sheet total: €54.3 million
- Revenue split: Finland 57 558 508, EU 4 899 314
- Employees: 344 FTEs on average during 2025
- Locations: 15 across Finland + 1 in Latvia
- Significant markets: B2B segment in Finland supported by smaller Baltic operation.
- Customers: 4,000+
- Total wages and salaries: Wages 15 999 285 €, total personnel costs 19 460 732 €

# This is Frendy



## Sustainability is how we do business

At Frendy, sustainability is not a separate initiative — it is embedded in our strategy and daily decisions. Since founding the company in 2021, we have pursued customer satisfaction, employee wellbeing, financial results and sustainability as one balanced agenda.

2025 brought meaningful progress. Based on the data currently available, we reduced our greenhouse gas emissions, completed our double materiality assessment, and committed to the Science Based Targets initiative (SBTi). Our device business advanced circular economy practices — from refurbished offerings to responsible end-of-life services. These are not side projects; they are the core to how we create value.

As an IT service provider, we operate at the intersection of digitalization and sustainability. Our industry both contributes to environmental challenges and holds the keys to solving them. We want to be known as a company that is part of the solution, not the problem.

None of this happens without people. Our 344 Frendies turn strategy into action every day — delivering secure, modern IT services while living our values of fairness, reliability and collaboration. Their commitment makes our sustainability work real, not just reported.

Our progress equally depends on customers and partners who share this journey. Many are pursuing their own sustainability goals, and when we work together — sharing data, improving transparency, extending device lifecycles — we all move forward. We can only be a better employer, partner and service provider when we pursue these goals together.

In 2026, we will turn ambition into measurable targets: science-based reduction goals, deeper circular economy practices, and continued investment in our people and governance. The foundation is in place. Now we build on it.

**Mikko Peltonen**  
CEO, Frendy



## This is Frendy

### Who we are

Frendy is a Finnish IT services company that brings enterprise-level IT capabilities to small and medium-sized businesses.

We were founded in 2021 by experienced IT entrepreneurs who saw that advanced cloud, cybersecurity and modern workplace services were largely out of reach for SMEs. Frendy was created to close that gap.

We act as a long-term partner to our customers — an extension of their operations — combining nationwide coverage with local presence in 15 locations across Finland.

### What we do

We deliver the full IT lifecycle for modern, secure digital work:

- End-user IT support
- Cloud and data center services
- Cybersecurity and backup
- Local network services
- IT devices and lifecycle management
- Document management and meeting room technologies

**Our scale today:** 344 Frendies, 4,000+ business customers, €62.5M revenue (devices 37%, services 61%); B2B segment in Finland with smaller Baltic operations.



## Our growth story

### From start-up to nationwide platform (2021–2025)

Frendy was formed through the merger of several established Finnish IT service businesses, nowadays fully integrated, and has grown organically – especially in continuous services.

The company is majority-owned by a private equity fund managed by Procuritas, together with key Frendy personnel.

Over the years, we have focused on building a single operating model:

- Building the most modern and modular offering to serve our SME customers
- Strengthening local service combined with centralized expertise
- Building processes and governance that match our scale
- Integrating acquired businesses into a unified "one Frendy" model

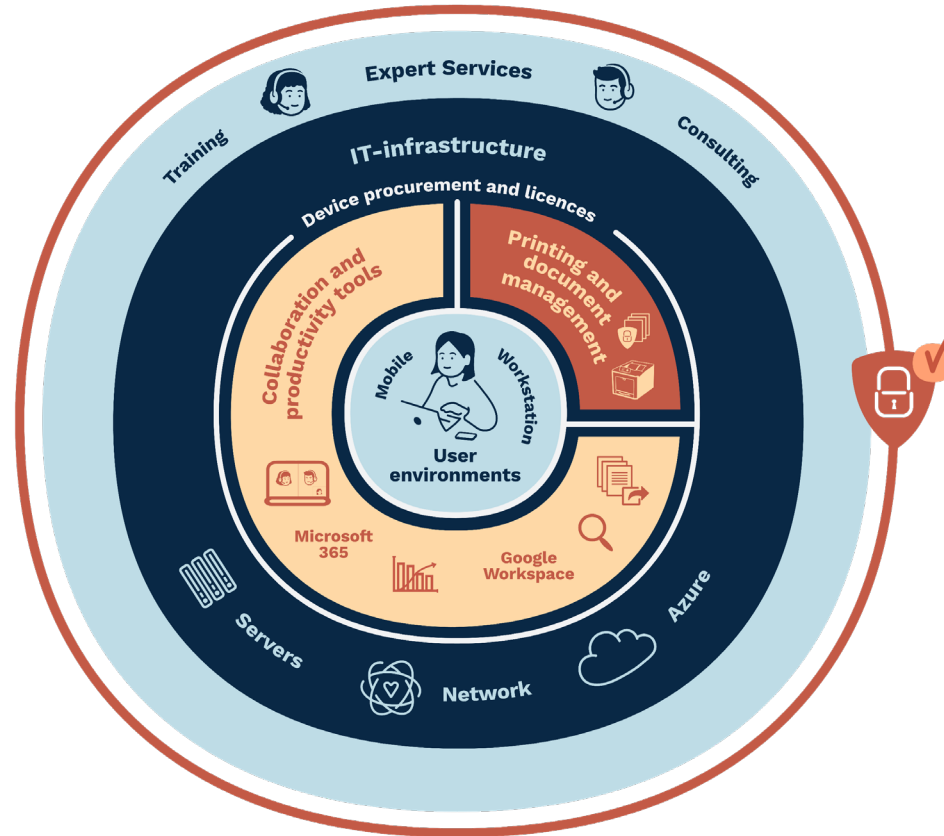
### What this enables

A unified Frendy gives us the scale to invest in capabilities that smaller IT providers cannot offer SMEs on their own: deeper cybersecurity expertise, broader cloud and data center options, and a structured device lifecycle.

It also gives us the operating maturity to take sustainability seriously — formalizing ESG governance, completing our double materiality assessment, and improving the quality of our environmental data.

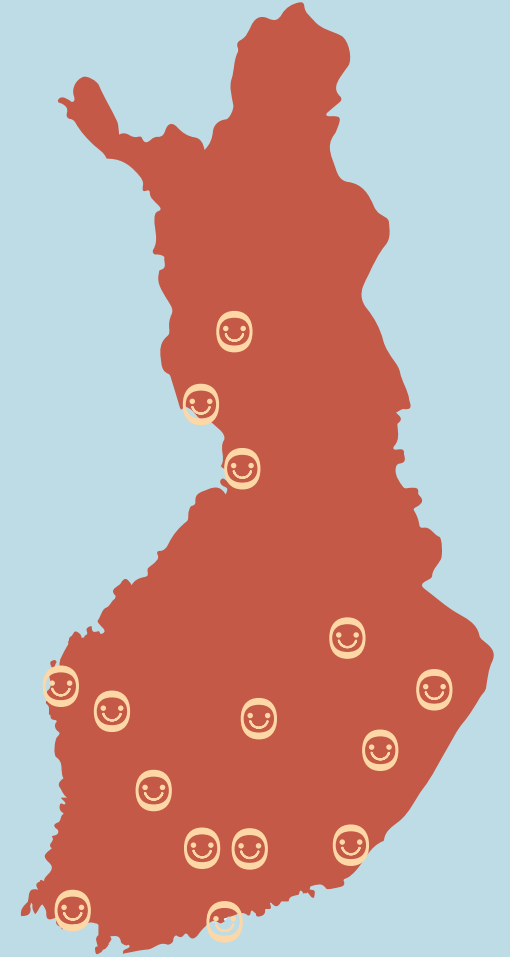
Those are the foundations for the targets and actions described in the rest of this report.

## Frendy in brief: We offer our customers the most modern and secure IT services



- ✓ Comprehensive IT services for modern digital work
- ✓ Expertise in cloud and cybersecurity solutions
- ✓ Locally present, nationally available
- ✓ 344 Frendies (FTEs)
- ✓ EUR 62.5 million in revenue

This is Frendy



CERTIFIED  
**ISO 27001**

Microsoft  
Solutions Partner  
Modern Work

Microsoft  
Solutions Partner  
Security

Microsoft  
Solutions Partner  
Infrastructure  
Azure



## Our sustainability approach

### Sustainability commitment

Frendy is committed to integrating sustainability into every part of our value chain. Our priorities follow the double materiality assessment finalized in Q2 2025, and are structured around three pillars:

**Environmental responsibility:** reducing our carbon footprint, improving energy efficiency in IT infrastructure, and promoting circular practices in device lifecycle services.

**Social responsibility:** investing in employee well-being, advancing diversity and inclusion, and enabling secure, modern work environments for our customers.

**Governance:** strengthening transparency, data privacy, ethical practices and sustainability across our supply chain.

In January 2025 we committed to the Science Based Targets initiative (SBTi), aligning our emissions reduction goals with the Paris Agreement.

### Sustainability focus

At Frendy, sustainability is part of our strategy — not separate from it. Our focus comprises five interconnected themes:

- Energy-efficient and circular IT operations
- Cybersecurity and responsible digitalization
- Data protection and privacy for customers and end-users
- Diversity, equity and inclusion
- Ethical business and supply chain governance

Each theme is backed by concrete action plans and measurable goals, aligned with the UN Sustainable Development Goals (SDGs 5, 8, 9, 13 and 16). 2025 KPIs, targets and actions are presented in the Frendy's sustainability targets, KPIs and actions section of this report.



## Frendy's values

### **Frendy is reliable**

We believe that to be the customers' number one choice, we need to have a deep understanding of their business. This enables us to support their IT needs in the best possible way. We understand that trust is the foundation of all cooperation, and by strengthening that trust step by step we create a lifelong partnership that both parties want to nurture.

### **Frendy works together**

We understand that winning is a team sport. We prioritize shared goals above all else and collaborate because we know it benefits us all. We help our friends, learn from them and are there for them. Together we work proactively and set a standard for excellence - for the success of both our customers and Frendy. We strive for continuous improvement, always aiming to do better than yesterday. We work responsibly, with a focus on delivering high-quality results that align with our objectives. At Frendy, there's no "us" and "them" - the customer is part of the team.

### **Frendy is easy-going**

We, as Frendies, believe in the power of simple, easy-going, and positive communication. We address even the most challenging subjects openly and directly. We are not afraid of criticism, because we trust each other, and consistently pursue what's best for both the customer and Frendy. Our disagreements center on opinions, not individuals. We communicate kindly, constructively and factually without unnecessary delays.

### **Frendy is fair**

We are confident that fair play ultimately leads to success, without neglecting sustainability. To us, sustainability is a commitment to our business, people and the environment, something we can be proud of in the long run. We treat both new acquaintances and old friends equally, assuming that each person is kind, capable and trustworthy by nature. We believe that by acting fairly and responsibly, we can create positivity and joy around us.

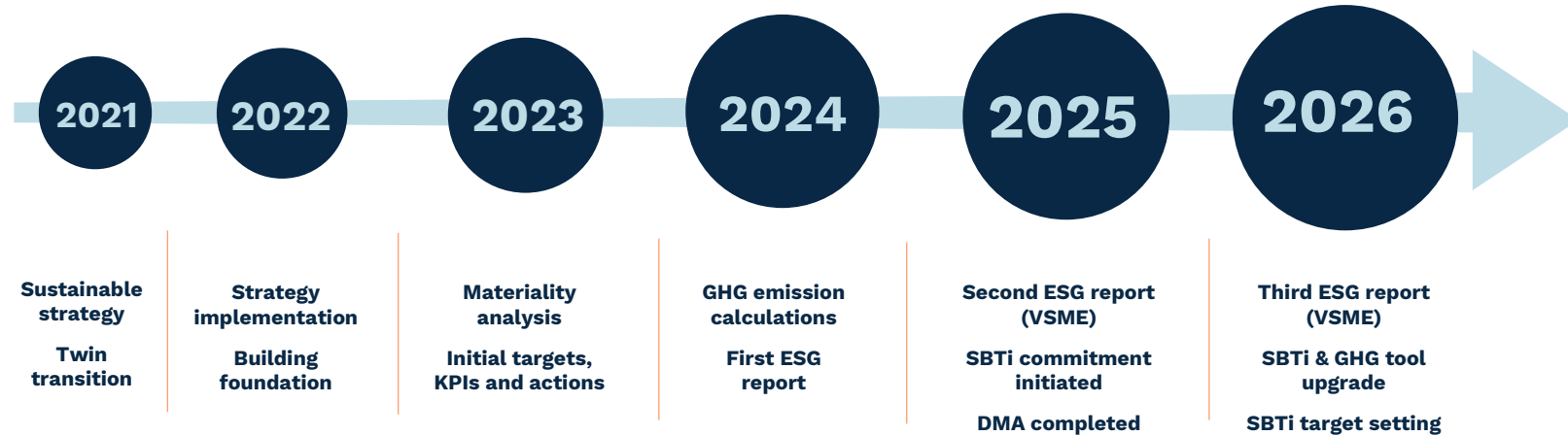
Our values guide how Frendies act, lead and work together every day. They shape our culture from the inside out — defining how we show up for each other, for our customers, and for our partners.

# Frendy's sustainability journey



# From Foundation to Maturity: Our Sustainability Journey

Frendy's sustainability journey began in 2021, when we embedded sustainability into our business strategy alongside balanced targets for customer satisfaction, employee well-being and financial results — rather than running it as a separate workstream. Since then, our approach has matured through concrete milestones: our first materiality analysis and ESG report, a baseline GHG inventory, and the build-out of targets, KPIs and actions across five sustainability themes spanning environmental, social and governance dimensions.



2025 marks a step-change in maturity. We completed our Double Materiality Assessment, formally committed to the Science Based Targets initiative (SBTi), and continued to improve the accuracy of our emissions data year over year — laying the groundwork for science-based target setting. Across the business, we deepened circular-economy practices in our device lifecycle, broadened diversity at the board level (with the first female board member joining in Q4 2024) while sustaining gender balance in our executive team, and made targeted progress on gender diversity by successfully recruiting more women into the organization to increase female representation, and strengthened the governance, security and ethical foundations that underpin everything we do. The chapters that follow translate this journey into concrete environmental, social and governance results — and set the direction for 2026 and beyond.

## External landscape (1/3)

### Climate change and the ICT sector

Climate change remains one of the most urgent global challenges, requiring rapid and sustained reductions in greenhouse gas emissions across all sectors.

[The information and communication technology \(ICT\) sector](#) currently accounts for approximately 1–1.5% of global greenhouse gas emissions, with electricity consumption representing a significant share of its environmental footprint.

This places the ICT industry at the intersection of two converging forces — accelerating digitalization on one side, and tightening climate expectations on the other.

Regulatory expectations continue to evolve in step. [The European Union's sustainability and digital regulation framework](#)—covering climate, data governance, AI and cybersecurity—places increasing emphasis on transparency, risk management and accountability in corporate operations.

### Data centers and AI: rising energy and resource intensity

As digital services expand, the ICT sector's total electricity consumption has reached around 4% of global demand and continues to grow — driven largely by [the rapid expansion of data centers and cloud infrastructure](#), and by accelerating AI workloads.

Data centers already represent a notable share of global electricity consumption, and their energy use is growing at a rapid pace. Electricity demand is expected to continue increasing substantially in the coming years, driven largely by AI-related workloads and continued cloud expansion.

[This growth also brings broader environmental implications](#), including increased carbon emissions and, in some regions, pressure on energy systems and water resources.

In response, hyperscalers and infrastructure providers are investing heavily in energy efficiency, renewable power sourcing and next-generation cooling — but the pace of demand growth still outstrips most of these gains.

## External landscape (2/3)

### Circular economy and device lifecycle: from option to requirement

For companies operating in the IT services sector — including Frendy — the largest environmental impacts are typically not in their own offices, but in the value chain: IT hardware, cloud services and energy use.

Within that footprint, the lifecycle of IT devices has become a central sustainability issue. The rapid turnover of digital equipment contributes to growing volumes of electronic waste, which exceed tens of millions of tons annually, while recycling rates remain limited.

As a result, the ICT sector is increasingly shifting toward circular-economy models that emphasize:

- extending device lifecycles
- reuse and refurbishment
- responsible end-of-life management
- improved material recovery

Together these approaches improve resource efficiency, reduce environmental impact, and shift the sector toward more circular operating models.

### From commitments to measurable impact

Alongside regulation, stakeholder expectations are sharpening. Customers, investors and procurement teams now look past general commitments and seek [credible, verifiable evidence of impact](#). This is converging on a few core asks:

- transparent, comparable emissions reporting (incl. Scope 3)
- consistent, measurable data across products and services
- evidence-based actions showing real environmental performance

At the same time, claims seen as symbolic or insufficiently substantiated face closer scrutiny, and companies are expected to show tangible improvements in emissions and resource use.

For IT service providers, the implication is clear: sustainability performance is now a routine criterion in tenders and renewals, especially in larger accounts.





## External landscape (3/3)

### Expanding Scope of Responsibility: Digital Trust and Governance

Sustainability in the ICT sector is increasingly linked with broader topics such as data protection, cybersecurity, and responsible use of digital technologies.

[New regulatory frameworks](#), including the EU AI Act and the NIS2 Directive, expand expectations related to risk management, transparency, and governance. These regulations require organizations not only to manage environmental impacts but also to ensure secure, reliable, and ethically sound digital services.

This development reflects a broader shift: sustainability in the ICT sector is no longer limited to environmental topics but also includes trust, resilience, and responsible digitalization.

### Digitalization as an Enabler of Sustainability

Despite its growing footprint, digitalization remains a key enabler in addressing climate and resource challenges. Digital solutions can help organizations reduce emissions, improve efficiency, and operate more sustainably across industries.

This interplay between environmental and digital transformation is often referred

to as the “twin transition,” highlighting the role of technology in enabling broader sustainability progress.

For Frendy, operating at this intersection creates both responsibility and opportunity: reducing emissions within our own operations and value chain, while supporting our customers in their sustainability efforts through smart, secure, and efficient IT solutions.

### Regulatory Development: CSRD Omnibus and Reporting Scope

During 2024–2025, the European Commission proposed adjustments to [sustainability reporting requirements](#) through the so-called “Omnibus” initiative, which aims to simplify and streamline the Corporate Sustainability Reporting Directive (CSRD).

Based on the current scope and size thresholds, Frendy is no longer expected to fall within the mandatory CSRD reporting scope in the near term. However, sustainability reporting remains increasingly relevant due to customer requirements, market expectations, and other regulatory developments.

Frendy continues to develop its sustainability reporting in alignment with the Voluntary Sustainability Reporting Standard for SMEs (VSME) and to monitor regulatory developments closely.

## From Insight to Action: Responding to a Changing Landscape

In response to a rapidly changing external environment, Frendy has continued to translate its strategy into concrete sustainability actions.

Since the beginning, sustainability has been part of the journey, integrated into our strategy alongside customer satisfaction, employee well-being, and financial performance.

As we continue to grow, our role in the broader digital ecosystem is becoming clearer. We operate at the intersection of digitalization and sustainability, where IT services both create environmental impact and enable positive change.

During 2025, our focus has shifted increasingly from building the foundation of our sustainability work to implementing and refining concrete actions. We have strengthened our understanding of where our main impacts occur—especially in device lifecycle, value chain emissions, and digital infrastructure — and continued to develop our approach accordingly.

The external environment continues to evolve rapidly. Customers expect more transparency, regulation is increasing, and sustainability is becoming a standard requirement in IT services.

At the same time, digitalization, cloud services, and artificial intelligence are reshaping how organizations operate and how IT contributes to both emissions and efficiency.

These developments reinforce our role: not only managing our own impact but also enabling our customers to operate more sustainably through smart, secure, and efficient IT solutions.

To respond to these changes, Frendy has continued to take concrete steps during 2025:

### **Cloud and data-driven solutions**

We continue to support our customers in adopting and optimizing cloud services and data-driven tools. These solutions improve scalability and efficiency while also enabling more sustainable ways of working.

### **AI and emerging technologies**

We have further strengthened our capabilities in artificial intelligence, including solutions such as Microsoft Copilot. At the same time, we recognize the growing importance of responsible AI use, including transparency, security, and energy efficiency.

### **Circular IT and lifecycle management**

Reducing the environmental impact of IT devices remains a key priority.

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### **Circular IT and lifecycle management**

Reducing the environmental impact of IT devices remains a key priority.

## Sustainable strategy — not a sustainability strategy

# Sustainability embedded in our business model

### Sustainability as a foundation, not an add-on

At Frendy, sustainability is not a separate workstream — it is part of how we run the business. Our strategy is built around enabling secure, efficient and resilient digital operations for our customers, and the same lens guides how we manage our own footprint, our people and our partners. Sustainable growth, for us, means pairing profitability with measurable progress on environment, social and governance outcomes.

### Where we operate

Frendy serves B2B customers in Finland and a smaller presence in the Baltics through our Latvian unit. The vast majority of our revenue comes from recurring services complemented by consulting and development projects as well as device sales. This concentration shapes our material topics: customer trust, data security, the carbon footprint of devices and data centers, and the wellbeing of all Frendies.

### Two value chains, one approach

Our business runs through two interlinked value chains:

- **IT services** — managed IT services and consulting, where impact is concentrated in data center energy use, secure operations and the workforce delivering the services.
- **Device business** — procurement, deployment, lifecycle management and end-of-life handling, where impact is concentrated in embedded emissions, circularity and responsible disposal.

The two chains share a common operating standard: selecting partners with demonstrated ESG maturity, embedding security and privacy by design, and engineering for long usable life. The next two pages walk through each chain and the 2025 actions that bring the strategy to life.



**Sustainable strategy — not a sustainability strategy**

**Our IT services value chain**

**IT services value chain**

Our IT services run on third-party cloud and data center infrastructure, which means partner selection is one of the most material levers we have on Scope 3 emissions and operational resilience. Our strategy is to work only with providers that can evidence environmental and energy management maturity.

**2025 in action**

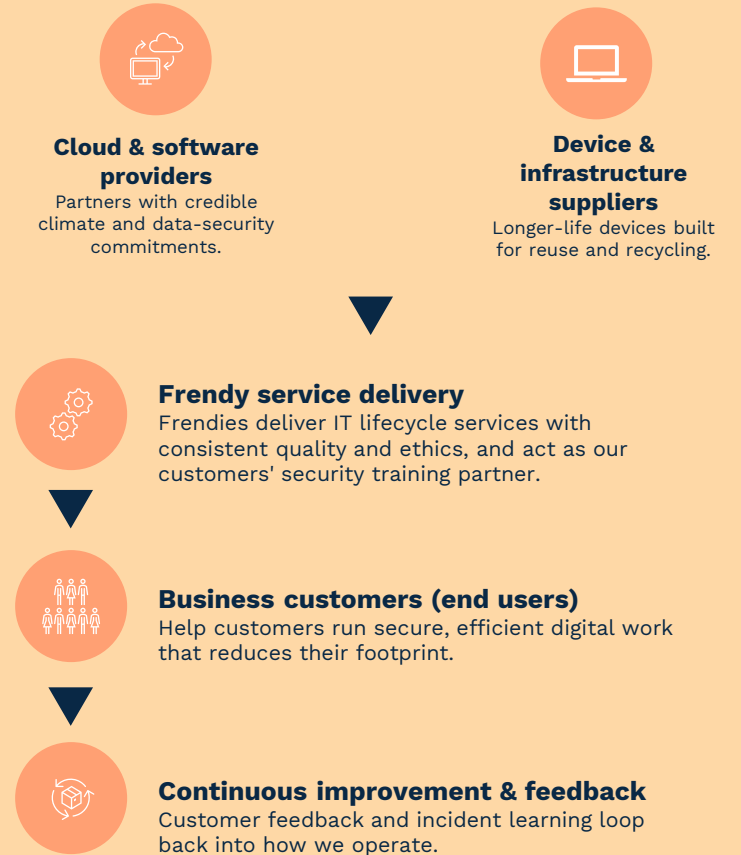
- **Certified data center partners.** Our primary data center partner Equinix holds ISO 14001 (Environmental Management) and ISO 50001 (Energy Management), giving us audited assurance over the environmental performance of the infrastructure we resell.
- **Climate-neutral capacity with waste-heat recovery.** We use Verne Global for workloads where climate-neutral operations matter — their facilities feed waste heat into district heating networks, turning a byproduct into a community benefit.
- **ESG in capacity planning.** During 2026 we will build additional capacity with an existing supplier, and ESG criteria are explicit inputs to the selection and implementation.

**Trust, security and the people behind the service**

Customers buy Frendy services to make their own operations more secure and reliable. That places digital trust at the center of our value proposition — and at the center of our governance work. We maintain ISO 27001 information security management, operate under GDPR, and continue to invest in cybersecurity training and awareness campaigns across the workforce so that the people delivering the service are themselves a line of defense.

The IT services value chain is also where our 344 Frendies create most of their direct impact — through expertise, advice and the workplace culture we build. Investments in learning, leadership development and wellbeing (covered in the People chapter) feed directly into the quality-of-service customers experience.

**Frendy’s sustainability journey**



## Sustainable strategy — not a sustainability strategy

# Our device business value chain

### Device business value chain

Devices accounted approximately 37% of 2025 revenue and carry the bulk of our embedded-carbon footprint. Our strategy is to push impact down at three points in the chain: what we choose, how long we use it, and where it goes next.

### 2025 in action

- **Procurement with carbon compensation.** We maintained our procurement preference for device models where carbon compensation is included by the manufacturer, embedding climate cost into the buying decision.
- **Four-year usable lifecycle.** In 2025 we made a deliberate move to higher-performance end-user device models specifically to enable a four-year lifecycle, reducing replacement frequency and the emissions that come with it.
- **Aftermarket partner for end-of-life.** End-of-life devices are handled by an aftermarket partner that resells units with remaining useful life and recycles the rest, keeping materials in circulation.

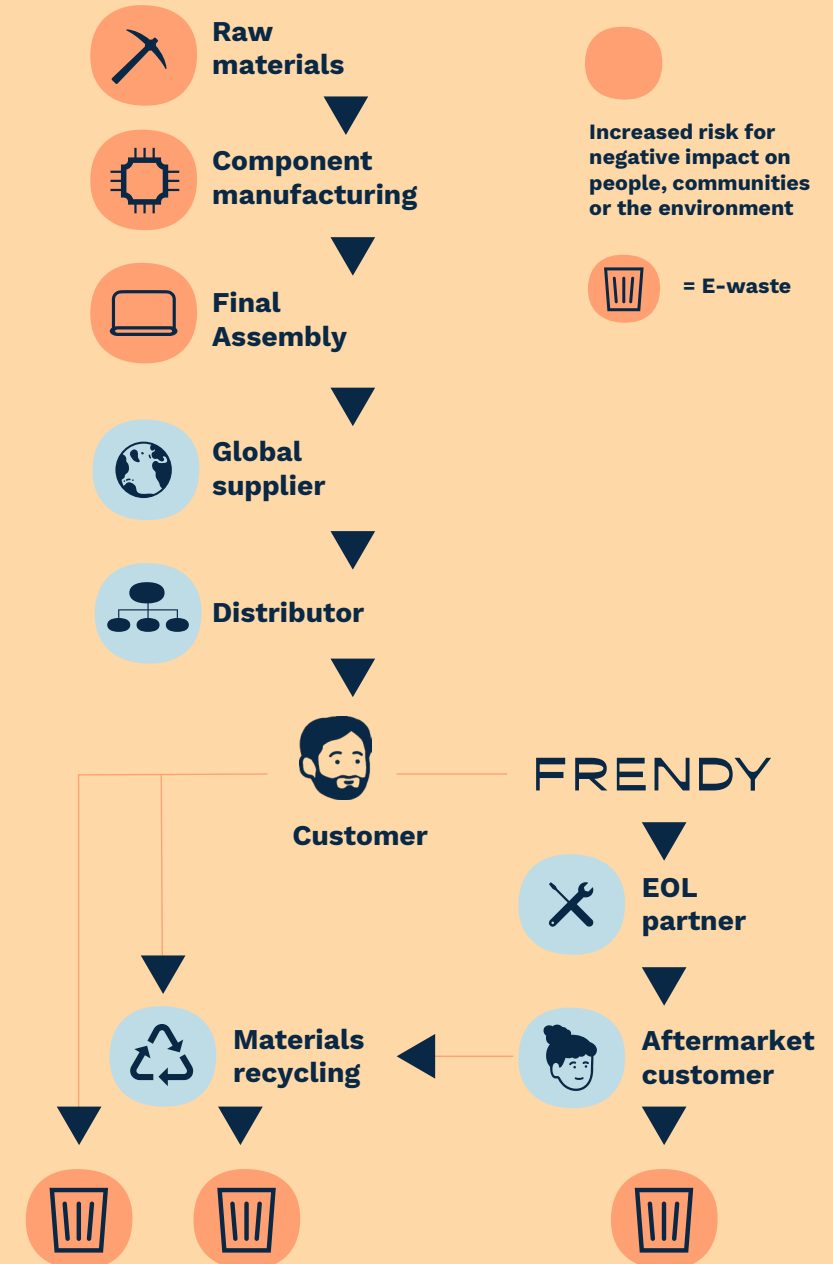
### One operating standard across both chains

Whether we are sourcing data center capacity or sourcing laptops, the same principles apply choose partners that can evidence ESG maturity, design for long usable life, and account for what happens at end of use. Responsibility does not stop at the boundary of our own operations — it extends upstream into procurement and downstream into resale, recycling and customer use.

### From strategy to targets

The actions on these pages are the operational expression of our strategy. The Environment, People and Governance chapters that follow translate them into measurable KPIs, the 2025 outcomes we delivered, and the science-based targets we are preparing under our SBTi commitment.

## Frendy's sustainability journey



## Double materiality analysis (1/2)

### Voluntary double materiality analysis completed

Frendy does not meet the size criteria for mandatory reporting under the Corporate Sustainability Reporting Directive (CSRD), and following the EU omnibus simplification package the directive no longer applies to companies of our size. We chose to conduct a double materiality analysis (DMA) on a voluntary basis to strengthen our sustainability work and prepare for evolving stakeholder and value-chain expectations.

The work started in 2024 and was finalized in Q2 2025 with external support from Suomen Ympäristöauditointi. Building on our 2023 materiality assessment, this more advanced analysis systematically identified, assessed, and prioritized both the impacts (I) of Frendy's activities on people and the environment and the sustainability-related risks (R) and opportunities (O) affecting the company's financial performance.

The DMA process used a structured, stakeholder-inclusive methodology and covered Frendy's full value chain — from upstream suppliers and hardware partners to internal operations and downstream customer interactions. The European Sustainability Reporting Standards (ESRS) classification served as the framework for categorizing and evaluating topics.

To ensure robustness and relevance, the analysis drew on multiple sources: stakeholder feedback (including customer and partner ESG surveys), insights from internal experts, industry-specific SASB standards, and peer benchmarking across the IT services sector.

### Stakeholder engagement and expectations

Frendy identified several key stakeholder groups and actively engaged with them to understand their expectations on sustainability. Owners and the board participate in regular reviews and expect a strong commitment to diversity, equity and inclusion, employee satisfaction, ethical business practices, legal compliance, and environmental topics such as climate change and circular economy. ESG issues are discussed regularly, and the board tracks progress via key performance indicators.

Enterprise customers and hardware partners increasingly require credible ESG performance — secure data handling, climate action, and responsible IT lifecycle management — as a condition for vendor selection and long-term collaboration.

## Double materiality analysis (2/2)

### Value chain and stakeholder priorities

Customers and partners played a central role in shaping Frendy's double materiality assessment. ESG-related expectations are increasing, particularly around supply chain transparency, emissions reporting, and ethical conduct. Input from key customers and hardware partners confirmed that sustainability is becoming a decisive factor in vendor selection and long-term collaboration.

Many of our customers are themselves part of EcoVadis, SBTi or ISO 14001 programs and benefit directly from Frendy's experience, supply-chain collaboration and shared understanding of climate impacts, dependencies and risks.

Employees were engaged through satisfaction surveys, team discussions and leadership dialogues. Their priorities include inclusive and safe workplaces, fair leadership, opportunities for development, and meaningful ESG action. Financial institutions and occupational health partners were also engaged through regular collaboration.

### Three material themes confirmed

The DMA confirmed that the material topics identified earlier remain relevant, while highlighting additional areas for development. Frendy's most material sustainability themes are:

**Climate impact and energy efficiency:** although Frendy is not a manufacturing company, the energy use of data centers and server infrastructure is our most significant environmental impact. Stakeholders see energy efficiency and the use of renewable energy as critical.

**Information security and trust:** the reliability of IT services, cybersecurity and the protection of personal data are the most important economic and reputational risks for our customers — and the most material sustainability themes both internally and externally.

**Employee wellbeing and competence:** employees are Frendy's greatest asset. Work wellbeing, equality and continuous skill development emerged as material from both inside and outside perspectives.

### Methodology and next steps

Each topic was assessed against criteria including severity, scale, reversibility and financial significance. Thirteen topics met the materiality threshold. Several were also identified as financially material — especially risks and opportunities related to cybersecurity, ESG compliance in the supply chain, and emissions from hardware procurement.

The DMA was finalized in Q2 2025 and its results have been incorporated into our strategic priorities, target-setting and ESG activities. The findings were reviewed with Frendy's management team.

Although CSRD reporting is not mandatory for Frendy, the DMA gives us a clear ESG priority list, sharper risk identification, readiness for value-chain ESG requirements from large customers, better access to finance, and a stronger brand and employer reputation. It also leaves us prepared for any future regulatory developments.

## Contribution to the UN Sustainable Development Goals

Frendy continues to align its sustainability work with five United Nations Sustainable Development Goals (SDGs) that are most relevant to our business, stakeholders, and value chain. These goals were originally selected in our 2023 materiality assessment to complement our strategic focus on customer satisfaction, employee satisfaction, and sustainable financial results.

The double materiality analysis finalized in 2025 reconfirmed this selection — no additional or alternative SDGs emerged as material. These five SDGs reflect where we believe our actions can have the greatest impact in the Finnish IT services sector and through our collaboration with globally responsible suppliers.

We support **SDG 5 (Gender Equality)** by promoting diversity, equity and inclusion in a traditionally male-dominated IT sector. Our goal is to increase the share of women in our workforce and ensure inclusive employment practices.

**SDG 8 (Decent Work and Economic Growth)** is advanced through our commitment to employee well-being, fair development opportunities, and continuous learning, which support both individual growth and sustainable business performance.

With **SDG 9 (Industry, Innovation and Infrastructure)**, we help close the digital gap by providing modern, secure IT services to small and medium-sized businesses across Finland, enabling innovation and digital accessibility in every region.

We address **SDG 13 (Climate Action)** by reducing emissions across our value chain and promoting circular IT models. Frendy has now committed to the Science Based Targets initiative (SBTi); the actual target-setting will take place in 2026.

Lastly, **SDG 16 (Peace, Justice and Strong Institutions)** is supported through our ethical governance practices, including a Code of Conduct, a whistleblower channel, and ISO 27001 certification (recertified in 2025), ensuring transparency, compliance and secure operations.

Together, these SDGs guide our sustainability work and reflect where our actions can deliver the most meaningful impact.

## Frendy's sustainability journey

SDG	Goal	How Frendy Contributes
	5: Gender Equality	We promote gender balance in a traditionally male-dominated IT sector through measurable DEIB targets, inclusive hiring, and equitable workplace policies. 2025 result: 14,8% women.
	8: Decent Work and Economic Growth	We ensure a safe, healthy, and meaningful work environment by prioritizing employee well-being, continuous competence development, and ethical business practices. Our growth strategy includes a commitment to satisfied employees and customers.
	9: Industry, Innovation and Infrastructure	We provide secure, modern IT services to SMEs across Finland, closing the technology gap between small and large enterprises. Our services foster digitalization and cybersecurity for businesses of all sizes.
	13: Climate Action	We reduce emissions across our value chain by promoting circular IT practices and optimizing logistics. Frendy has committed to the Science Based Targets initiative (SBTi); actual target-setting will take place in 2026. Our digital services also help customers reduce their own climate footprint.
	16: Peace, Justice and Strong Institutions	We maintain high ethical standards through our Code of Conduct, ISO 27001 certification (recertified in 2025), transparent governance, and a whistleblower mechanism. Our partners are expected to follow similar principles, aligned with the UN Global Compact.



## How sustainability is governed

### Governance Framework

Frendy's governance approach is built on ethical conduct, legal compliance, and transparent decision-making. The Board of Directors, CEO, and leadership team share collective responsibility for overseeing sustainability, guided by a Board-approved Code of Conduct.

Sustainability targets are derived from the company's double materiality assessment and integrated into corporate strategy, long-term business planning, risk assessments, and annual operations. The Board monitors progress against these targets, approves the annual sustainability report, and receives regular updates on material ESG issues, including carbon footprint results and materiality analysis outcomes.

### Board Oversight

As the highest governance body, the Board ensures proper organization of internal controls and sustainability governance. It validates Frendy's sustainability goals and the ethical standards guiding corporate behavior.

### Executive and ESG Leadership

The CEO holds overall accountability for executing Frendy's corporate strategy, including its sustainability agenda, and ensures ESG considerations are embedded in business decisions and resource allocation.

Operational responsibility for all ESG matters rests with the HR & ESG Director, who leads day-to-day sustainability work: developing policies and targets, coordinating initiatives and work across functions, tracking KPIs and emissions data, preparing ESG topics for Board approval, and managing external reporting and stakeholder engagement. The HR & ESG Director reports progress to the CEO, with leadership-team reviews held at least annually.

ESG-related objectives are included in the annual objective-setting of selected roles with direct sustainability accountability, ensuring individual ownership of progress against Frendy's targets.

### Involvement and Expertise

Business unit leaders and leadership team members contributed to sustainability workshops, including the double materiality analysis. The team draws on external expertise when needed to support ESG-related decision-making and governance.

Finance plays a particularly important role: the function leads GHG emissions calculations — sourcing activity data, applying emission factors, and ensuring methodological consistency across scopes — and contributes to governance work through internal control, audit alignment, and financial-grade rigor in ESG data and reporting.



## Frendy Commits to Science-Based Climate Targets

### Science-Based Targets Initiative (SBTi) Commitment

In January 2025, Frendy officially committed to the Science Based Targets initiative (SBTi). This marked a pivotal step in our climate strategy and underscores our dedication to aligning with the global 1.5°C climate trajectory, as outlined in the Paris Agreement. Validated science-based targets will be set during 2026.

### What does this mean for Frendy?

The SBTi commitment demonstrates our intention to reduce our greenhouse gas (GHG) emissions in line with the best available climate science. During 2026 we will define and submit for validation:

Setting absolute reduction targets for Scope 1 and Scope 2 emissions across our own operations.

Assessing and addressing Scope 3 emissions across our value chain, especially those from our device business, which includes logistics, lifecycle impacts, and end-of-life treatment.

Embedding climate responsibility into our business model by investing in energy-efficient IT services, reducing logistics emissions, and extending the life cycle of our devices.

### Timeline

Commitment letter signed in January 2025. Baseline review and target-setting work runs through 2026, with submission to SBTi for validation by end of 2026.

This milestone builds upon the GHG accounting practices we began in 2022, and the enhancements in data collection implemented in 2023 and 2024.

### Base year and emissions baseline

Emissions have been calculated on a consistent basis across this and previous reports, so the figures are comparable year on year. Our calculation tool follows the GHG Protocol; however, the results have not yet been externally validated. As part of SBTi target setting, we will review the 2025 calculations to secure a validated baseline, and figures may therefore change.

# Frendy's sustainability targets, KPIs and actions



# Summary of our sustainability targets and KPIs set for 2025

	Environment	Social	Governance
<b>Key focus areas based on materiality analysis</b>	<b>Planet in balance</b> <ul style="list-style-type: none"> <li>- Climate</li> <li>- Circular economy</li> </ul>	<b>Attractive workplace and sustainable economic growth</b> <ul style="list-style-type: none"> <li>- Satisfied employees</li> <li>- Diversity, equity and inclusion</li> <li>- Satisfied customers</li> </ul>	<b>Good governance</b> <ul style="list-style-type: none"> <li>- Business ethics</li> <li>- Regulatory compliance</li> <li>- Transparency</li> <li>- IT and data security</li> </ul>
<b>Impact on UN Sustainable Development Goals</b>		 	 
<b>Key KPIs and targets</b>	<b>Reduce GHG emission intensity</b> <ul style="list-style-type: none"> <li>- GHG (tons, CO2ekv) / sales</li> <li>- GHG (tons, CO2ekv) / employee</li> <li>- <i>Targets to be set once we commit to <u>Science Based Targets (SBTi)</u> that guide our efforts towards meeting the Paris Agreement targets</i></li> </ul>	<b>Increase workplace attractiveness</b> <ul style="list-style-type: none"> <li>- Employee satisfaction: &gt; 4/5 <i>by the end of 2025</i></li> <li>- Diversity: &gt; 15% <i>female employees by the end of 2025</i></li> </ul> <b>Ensure long-term economic growth</b> <ul style="list-style-type: none"> <li>- Customer end user satisfaction: &gt; 4/5 <i>continuously</i></li> <li>- Customer decision maker satisfaction: &gt; 4/5 <i>continuously</i></li> </ul>	<b>Ensure good governance</b> <ul style="list-style-type: none"> <li>- Severe cyber security incidents: 0</li> <li>- Code of conduct breaches: 0</li> <li>- Financial control breaches: 0</li> </ul>
<b>ACTIONS IN 2025</b>	<ul style="list-style-type: none"> <li>- Continue to recommend only sustainability certified laptops and mobile phones in <i>Frendy recommends</i> offering during 2025 and beyond</li> <li>- Increase the share of devices delivered directly from distributor to customer to 90 % by end of 2025</li> <li>- Strengthen the end-of-life process for laptops and mobile phones by ensuring that the number of returned devices corresponds to at least 50% of the number of new devices sold</li> </ul>	<ul style="list-style-type: none"> <li>- Plan and take activities to decrease long term sick leaves and risk of work disability</li> <li>- Enhance employees' work satisfaction through leadership development</li> <li>- Renew career development model and compensation model by end of H1/2026</li> <li>- Continue to maintain excellent end-user satisfaction by improving operational excellence in service desk</li> <li>- Ensure excellent decision maker satisfaction by proving ourselves as valued partner every day</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to maintain and enhance our internal and external IT and data security procedures and offering</li> <li>- Secure compliance with ISO27001 certification</li> <li>- Train and monitor financial control and authorization processes</li> </ul>

# Frendy's sustainability targets, KPIs and actions: Environment



# Environment: KPIs, Targets and Actions in 2025 (1/3)

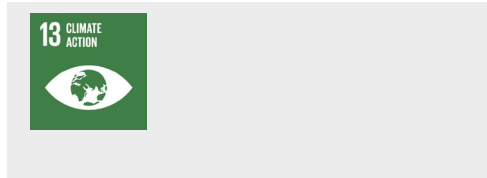
## Environment

**Key focus areas based on materiality analysis**

**Planet in balance**

- Climate
- Circular economy

**Impact on UN Sustainable Development Goals**



**Key KPIs and targets**

**Reduce GHG emission intensity**

- GHG (tons, CO2ekv) / sales
- GHG (tons, CO2ekv) / employee
- *Targets to be set once we commit to Science Based Targets (SBTi) that guide our efforts towards meeting the Paris Agreement targets*

**ACTIONS IN 2025**

- Continue to recommend only sustainability certified laptops and mobile phones in *Frendy recommends* offering during 2025 and beyond
- Increase the share of devices delivered directly from distributor to customer to 90 % by end of 2025
- Strengthen the end-of-life process for laptops and mobile phones by ensuring that the number of returned devices corresponds to at least 50% of the number of new devices sold

### Key KPIs and targets aimed to reduce GHG emissions intensity

In 2025, Frendy continued to take concrete steps toward reducing its climate footprint — focusing on emission transparency, lifecycle efficiency, and circular device solutions.

Total market-based **GHG emissions decreased from 4,096 tCO<sub>2</sub>e in 2024 to 3,766 tCO<sub>2</sub>e in 2025** (–8.0 %), split across Scope 1: 86 t · Scope 2: 116 t · Scope 3: 3,564 t (market-based).

As a result:

- GHG per employee **fell 7.8 % to 11.28 tCO<sub>2</sub>e/person** (based on total Group headcount of 334 at the end of December 2025 — Finland incl. the merged company, plus Latvia — to match the Group-wide emissions boundary; this differs from the Finland-only basis used for social-responsibility figures), and
- GHG per euro of revenue **fell 12.9 % to 0.060 kg/€**, as revenue grew from €59.2M to €62.5M.

Intensity figures are market-based, reflecting electricity actually purchased with supplier-specific factors.

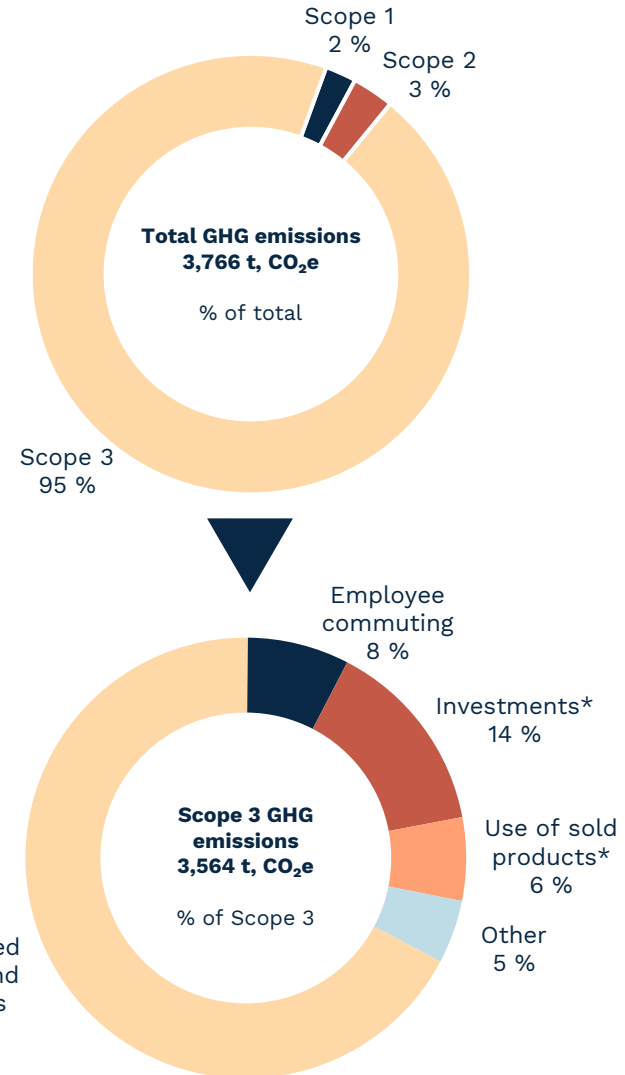
Both intensity metrics improved in 2025 as emissions fell and revenue grew.

### Scope 3 dominates the footprint

Scope 3 was 94.6% of total emissions. Largest categories: Purchased Goods & Services 64.7%, Investments 13.9%, Employee Commuting 7.2%, Use of Sold Products 5.9%. The Device business and supply chain remain the primary levers for reduction.

### Waste and circular economy

Waste is segregated and recycled per Finnish regulations. Household residual waste to landfill totaled **19.4 t (~ 9.6 tCO<sub>2</sub>e)**, estimated from per-employee landfill rate (secondary data). No hazardous materials are used or generated.



\*Use of sold products: emissions from customers using the electrically powered IT devices Frendy sells. Investments: emissions of Frendy SIA (Latvia), estimated from audited 2024 turnover.

# Environment: KPIs, Targets and Actions in 2025 (2/3)

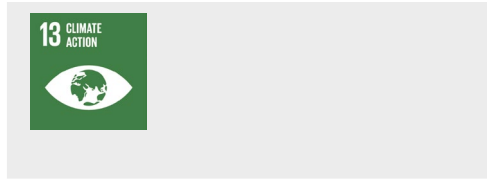
## Environment

**Key focus areas based on materiality analysis**

**Planet in balance**

- Climate
- Circular economy

**Impact on UN Sustainable Development Goals**



**Key KPIs and targets**

**Reduce GHG emission intensity**

- GHG (tons, CO2ekv) / sales
- GHG (tons, CO2ekv) / employee
- *Targets to be set once we commit to Science Based Targets (SBTi) that guide our efforts towards meeting the Paris Agreement targets*

**ACTIONS IN 2025**

- Continue to recommend only sustainability certified laptops and mobile phones in *Frendy recommends* offering during 2025 and beyond
- Increase the share of devices delivered directly from distributor to customer to 90 % by end of 2025
- Strengthen the end-of-life process for laptops and mobile phones by ensuring that the number of returned devices corresponds to at least 50% of the number of new devices sold

Frendy remains committed to improving operational efficiency and reducing emissions in line with our 2025 SBTi commitment. Once SBTi targets are set, we can actively target further GHG reductions.

**Actions in 2025 concentrated on our Device business**

2025 actions strengthened our sustainable business especially in the device business, where the environmental impact is biggest. The device pool gained traction, letting customers save money and resources by re-using devices, and *Frendy Recommends catalog* now lists only high-quality, long-lifecycle devices.

**Lifecycle Extension and Circular Economy**

In 2025, Frendy strengthened its environmental performance through circular economy practices. Refurbished devices were added to the *Frendy Recommends* catalog, with reduced carbon footprint and prices versus new equivalents, providing the highest per-unit environmental benefit in our portfolio.

CO<sub>2</sub>e values were added to recommended products so customers can make better, more informed decisions at point of purchase.

Frendy’s *End-of-Life (EOL) service* ran a full year — our ISO 14001-certified EOL partner Inrego issued a certificate for **131,361 kg CO<sub>2</sub>e saved in 2025** through responsible recycling and resale of returned devices. However, the return rate reached only approximately 23% of new devices sold, short of our 50% target — strengthening end-of-life returns will be a priority focus in 2026.

To support customers in making more sustainable choices, our *Frendy Recommends* catalog continued to feature only eco-certified products, and 4-year extended warranty options remained available to promote longer device use.

**Logistics Optimization and Emission Reduction**

Frendy continued to optimize its logistics model by increasing the share of direct shipments from distributors to end users. Direct deliveries reached **88% in 2025** (target >90%), reducing unnecessary warehouse stops and transport-related emissions.

CO<sub>2</sub> reporting for device purchases was made available to customers, supporting them in their own sustainability journey.

## Environment: KPIs, Targets and Actions in 2025 (3/3)

### Environmental Transparency and Data Availability

In 2025, product-level emissions data continued to improve across our supplier base. ALSO upgraded their CO<sub>2</sub> reports for device sales; TD Synnex introduced device-based sustainability assessments; and HP and Apple progressed their net-zero product strategies. These improvements enable more transparent environmental reporting and support customers in their own ESG efforts.

However, the lack of a standardized EU-wide methodology for calculating product-level emissions remains a challenge and a call for regulatory development.

### Regulatory and Market Drivers

Customer and partner expectations for environmental accountability have increased, reflected in procurement criteria and RFP requirements. Devices, manufacturers, and resellers are increasingly scrutinized for their environmental certifications and reporting capabilities, underlining the importance of proactive transparency and lifecycle management.

### Scope 1 and 2 emissions remain relevant

Scope 1 and 2 emissions totalled 202 tCO<sub>2</sub>e in 2025 (86 t Scope 1, 116 t Scope 2 market-based), or 5.4% of total emissions. All Frendy-managed offices and data centers continued to use renewable electricity, and warehouse centralization is progressing toward completion.

### Environmental and Business Impact

Environmental improvements are both a responsibility and a business opportunity: longer device lifecycles cut total cost of ownership, refurbished devices and EOL services open new revenue, and stronger sustainability performance lifts our reputation and employer brand. In 2025 this was reflected in our Procuritas' Planet in Balance award and HP Amplify Impact 3-star sustainability status.

### Other environmental topics (VSME B4–B6)

Frendy's own operations do not generate direct emissions to air, water or soil (B4); no sites are in or near biodiversity-sensitive areas (B5); and water use is limited to standard office consumption and is not material (B6).



## Environment: 2025 events, awards and vendor collaboration

### Events, awards and customer engagement

2025 was a strong year for visibility and recognition around Frendy's sustainability work:

- **Procuritas Planet in Balance Award** — Frendy was recognized in the Procuritas Sustainability Awards 2025 for the company's sustainability progress.
- **HP Amplify Impact — 3 stars level** achieved in sustainability, recognizing Frendy's ESG commitments and partner alignment with HP's sustainability goals.
- **Green ICT 2025 (Rovaniemi)** — Participating in the Green ICT 2025 industry tour enabled Frendy to solidify its footprint in Finland's sustainable-IT community. The tour highlighted Frendy's commitment to circular economy principles and environmentally responsible hardware lifecycle management.
- **Partner sustainability events and webinars** — throughout 2025 we hosted events independently and together with partners on sustainability in the device and IT business.

### Collaboration across our partner network

Sustainable outcomes require active partnership across the value chain. In 2025 we deepened collaboration across our device, distribution and lifecycle partners:

- **Device manufacturers** — participated in vendor sustainability programs and reached recognized partner-tier status for our ESG commitments and alignment with their climate goals.
- **Distributors** — worked with multiple distribution partners to improve CO<sub>2</sub> reporting on device sales and to introduce device-level sustainability assessments, giving customers better data for their own reporting.
- **Lifecycle and end-of-life partners** — jointly developed our EOL service, with full-year operations yielding a certified **131,361 kg CO<sub>2</sub>e saved** through responsible recycling and resale of returned devices.

### Reporting to customers

Direct-delivery percentage reporting launched (aim >90%; result 88%), and CO<sub>2</sub> reporting for device purchases is now available to customers — helping them with their own sustainability journey.



# Frendy's sustainability targets, KPIs and actions - Social



# Social: KPIs, targets and actions in 2025

## Social

### Key focus areas based on materiality analysis

#### Attractive workplace and sustainable economic growth

- Satisfied employees
- Diversity, equity and inclusion
- Satisfied customers

### Impact on UN Sustainable Development Goals



### Key KPIs and targets

#### Increase workplace attractiveness

- Employee satisfaction: > 4/5 by the end of 2025
- Diversity: > 15% female employees by the end of 2025

#### Ensure long-term economic growth

- Customer end user satisfaction: > 4/5 continuously
- Customer decision maker satisfaction: > 4/5 continuously

- Plan and take activities to decrease long term sick leaves and risk of work disability
- Enhance employees' work satisfaction through leadership development
- Renew career development model and compensation model by end of H1/2026
- Continue to maintain excellent end-user satisfaction by improving operational excellence in service desk
- Ensure excellent decision maker satisfaction by proving ourselves as valued partner every day



### Workforce structure

At the end of 2025, Frendy employed 311 people in Finland excluding merged company in September 2025. Headcount in Latvia was 5. On average during 2025 Frendy Group employed 344 persons on average.

The vast majority in Frendy — 301 employees — held permanent contracts, while 10 (3.2 %) were on fixed-term contracts used to support project work, temporary replacements and individual situations. Frendy did not use temporary agency workers during the year. Frendy did use some self-employed contractors during the year.

### Gender diversity

Frendy's workforce remains male-dominated, reflecting broader trends in the IT sector. At year-end 14.8 % of employees were women, close to our 15 % target. Women represent 40 % of the management team. Increasing gender diversity continues to be a long-term focus area, monitored as part of our broader DEIB work. Diversity considerations are already embedded in recruitment and people practices.

### Wellbeing and occupational health

Wellbeing remained a central focus area in 2025. We take a holistic view that covers physical, mental and social dimensions, supported by quarterly pulse surveys, wellbeing weeks, training and community events. Overall job satisfaction averaged 3.5/5, providing a stable baseline for continued development.

Comprehensive occupational health services are delivered with external partners, and early-support models are run in active cooperation between HR, managers and occupational health.

### Work-related incidents and safety

No fatalities resulted from work-related injuries or ill health in 2025. Seven recordable work-related accidents were reported — four workplace and three commuting — and Frendy continues to promote a safe working environment through preventive actions, clear processes and close cooperation with occupational health partners.

### Social dialogue

An elected shop steward represents employees, and a defined health and safety organization monitors and develops workplace safety and wellbeing. Employment terms follow Frendy's internal personnel handbook rather than a collective agreement.

## Our own people: culture, learning, leadership and attrition (1/2)

### Frendy culture

Frendy’s culture is built on clearly defined values and a Code of Conduct, supported by documented ways of working, onboarding practices, and leadership guidelines. Culture development is reinforced through structured initiatives that promote wellbeing, collaboration, and recognition across the organization.

Activities such as Wellbeing Weeks were being arranged to support healthy habits and strengthen community among employees. Recognition practices included recurring acknowledgements and annual values-based awards to highlight behaviors aligned with company values.

Frendy organized FrendyFest 2025 under the theme “A Continuously Developing Organization”, bringing employees together to identify key development areas related to customer and employee experience as well as business performance. The event generated concrete ideas for team-level actions and the broader development roadmap, while also promoting employee participation and consideration of emerging technologies such as artificial intelligence.

### DEIB awareness

DEIB was strengthened through embedded HR practices and governance. It was integrated into recruitment and internal mobility through structured selection, supporting equal treatment and psychological safety. Inclusion signals are tracked via pulse surveys, including sense of belonging.

### Learning and development

We supported learning through structured upskilling, company-wide trainings and continuous practices. The Cloud Academy (Pilviakatemia) pilot launched in February 2025 with external partners and 15 participants, covering Microsoft 365 and Azure fundamentals, security, automation, Power Platform and incident response with certification preparation across the year.

Frendy employees completed 13 Microsoft certifications during the year. HP Amplify Impact sustainability training was available to all employees and contributed to Frendy reaching the three-star partner level. Certifications and trainings are recorded in our HR system.



## Our own people: culture, learning, leadership and attrition (2/2)

### Performance and leadership

Performance management was strengthened through a structured annual cycle of goal setting, one-to-ones, development discussions and half-year and year-end reviews. The model links company goals to everyday work. Leadership days and clinics focused on practical leadership and people support.

### Recruitment and career development

We recruit through internal and external channels with a clear emphasis on internal mobility. Six employees changed roles internally (19 % of all hires) and women represented 30 % of all recruits. During 2024 10 % of new hires were female, so we can see good progress there. Careers are supported through opportunities to deepen expertise and take on new roles.

### Attrition in 2025

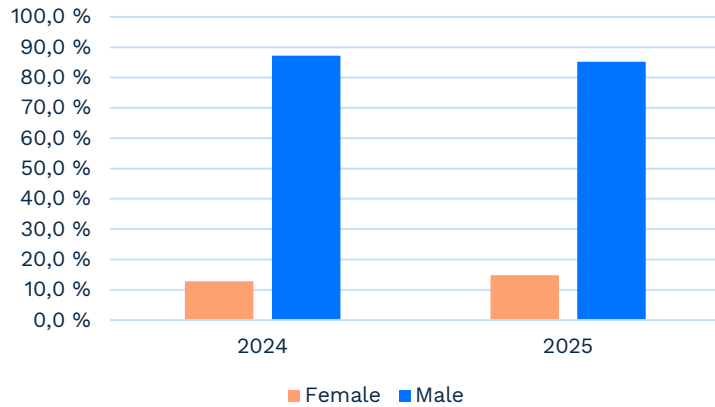
Attrition was closely monitored and benchmarked against industry data. Total attrition was comparable to industry levels, and voluntary attrition remained in line with typical levels in the sector. Attrition is actively analyzed through exit interviews and employee feedback, supporting continuous improvement in retention and the overall employee experience. Voluntary attrition at the end of 2025 was 7,3%.

Social

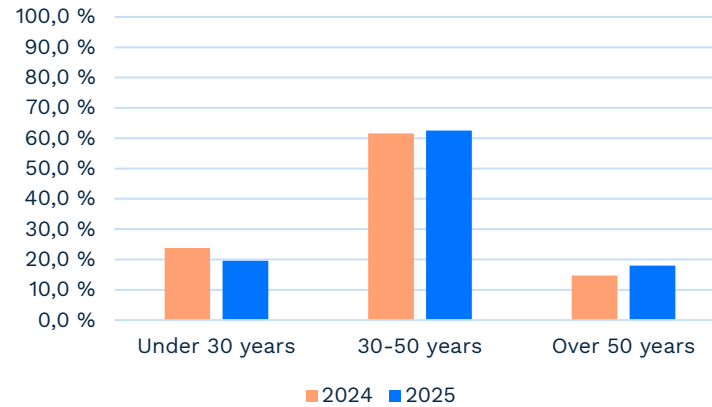


# Personnel figures at Frendy end of 2025 (Finland)

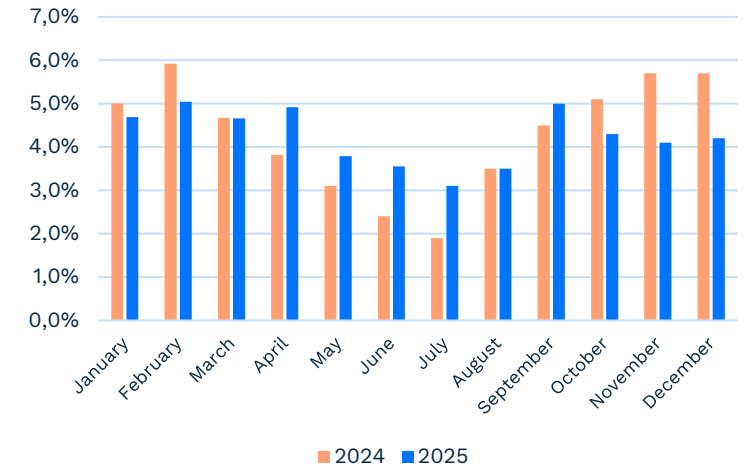
**Gender distribution % 2024 -2025**



**Personnel by age group 2024 - 2025**



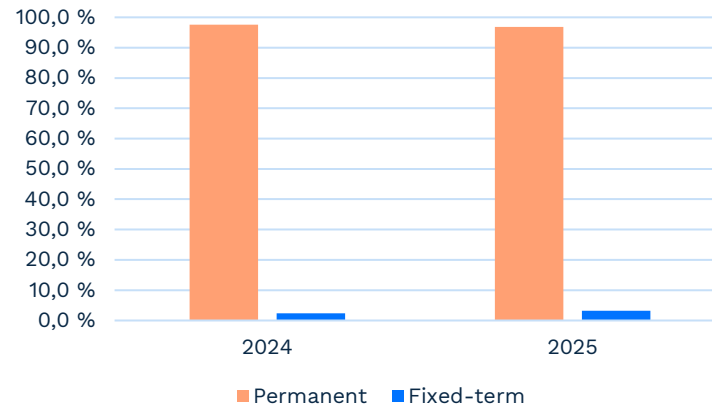
**Sick leave % 2024 - 2025**



**Employment types 2024 - 2025**



**Employment types 2024 - 2025**



**Frendy in numbers, 2025**

At the end of 2025 Frendy employed 311 people in Finland. 96.8% held permanent contracts and 3.2 % were on fixed-term contracts, used for project work, replacements and individual situations. In Latvia (5 persons) all had permanent contacts.

**Gender**

14.8 % of employees were women, close to our 15 % target. Within the management team, 40 % are women. Increasing gender diversity remains a long-term focus, monitored alongside the unadjusted gender pay gap, which was 11.6 % in 2025 (calculated as (avg. male salary – avg. female salary) / avg. male salary). In Latvia (5 persons) all are male.

# Social: KPIs, targets and actions at the Value Chain in 2025

## Social

### Key focus areas based on materiality analysis

#### Attractive workplace and sustainable economic growth

- Satisfied employees
- Diversity, equity and inclusion
- Satisfied customers

### Impact on UN Sustainable Development Goals



### Key KPIs and targets

#### Increase workplace attractiveness

- Employee satisfaction: > 4/5 by the end of 2025
- Diversity: > 15% female employees by the end of 2025

#### Ensure long-term economic growth

- Customer end user satisfaction: > 4/5 continuously
- Customer decision maker satisfaction: > 4/5 continuously
- Plan and take activities to decrease long term sick leaves and risk of work disability
- Enhance employees' work satisfaction through leadership development
- Renew career development model and compensation model by end of H1/2026
- Continue to maintain excellent end-user satisfaction by improving operational excellence in service desk
- Ensure excellent decision maker satisfaction by proving ourselves as valued partner every day

### Workers in the value chain

In 2024 we formally defined our value chain, with particular attention to our device business and its close collaboration with large global technology partners. In 2025 we did not yet systematically assess the social responsibility of value chain workers through our own due diligence and recognize this as an area requiring further development.

We expect our strategic partners to comply with local legislation and international standards on social responsibility, including fair working conditions and ethical labor practices. Going forward, we aim to build more structured approaches to assess and support social responsibility in our partnerships, particularly in the device business where manufacturing typically occurs outside our direct control.

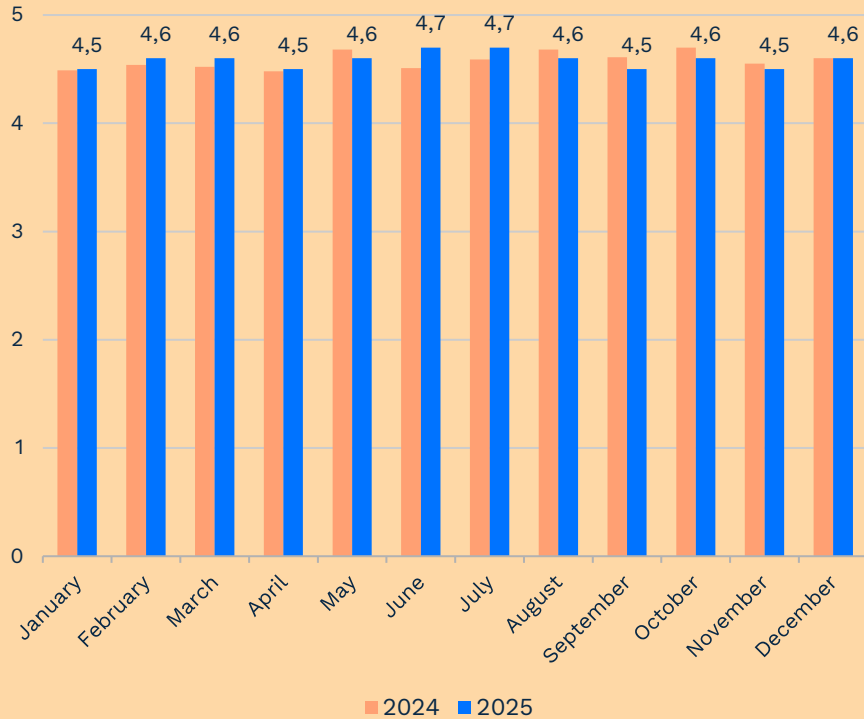
### Impacted communities

Although Frendy does not operate physical infrastructure that would directly affect surrounding communities, our impact is visible in other ways. As a local IT service provider across Finland, we support regional employment and strengthen the digital capabilities of local businesses and public organizations.

Safeguarding the integrity, privacy and security of data is integral to our service offering and essential to the wellbeing of the communities we indirectly serve. By helping secure digital infrastructure, we reduce vulnerability to cyber risks and support public trust in digital services. We see particular value in being a trusted partner for small and medium-sized businesses that may not otherwise have easy access to reliable cybersecurity, IT infrastructure and AI solutions.

## Customers: voice of the customer in 2025

End-user feedback for our support (scale 0-5)



End-user satisfaction 2025 — monthly average ranged between 4.46 and 4.71

### Our customers

From a social sustainability perspective, Frendy’s business supports especially small and medium-sized companies by enabling them to focus on their core business while Frendy’s takes care of their IT.

For smaller and medium-sized companies, IT disruptions, security issues, and lack of in-house expertise can place a heavy burden on employees and management. By providing reliable IT services, Frendy’s reduces this burden, improves the continuity of daily work, and helps create a more stable and secure working environment.

This support strengthens operational resilience, reduces stress related to technology, and allows company leadership and staff to concentrate on serving customers, developing their business, and creating jobs.

In this way, Frendy’s contributes to social sustainability by supporting the vitality, competitiveness, and wellbeing of smaller and medium-sized businesses and the people working in them.

### End users

For end users, our focus was on the quality and consistency of everyday support. The continuous satisfaction survey, sent automatically after ticket closure, gave us ongoing visibility into service desk performance and helped us identify improvement needs in real time.

Feedback stayed at a high level throughout the year, with monthly averages between 4.46 and 4.71, clearly above our target level.

### Decision-makers

For decision-makers, we focused on understanding relationship quality, loyalty, and the value created through ongoing cooperation. In 2025 we introduced the first systematic measurements for this stakeholder group through NPS pulse surveys and service review meeting feedback.

The results developed positively during the year: NPS rose from 19 in Q1 to 35 in Q3, and the new CSAT survey for service review meetings reached 81/100.

*Across every customer group, 2025 feedback confirmed we're on the right track with our customer focus.*

# Governance & ethics



# Governance KPIs, targets and actions in 2025

## Governance

### Key focus areas based on materiality analysis

#### Good governance

- Business ethics
- Regulatory compliance
- Transparency
- IT and data security

### Impact on UN Sustainable Development Goals



### Key KPIs and targets

#### Ensure good governance

- Severe cyber security incidents: 0
- Code of conduct breaches: 0
- Financial control breaches: 0

### ACTIONS IN 2025

- Continue to maintain and enhance our internal and external IT and data security procedures and offering
- Secure compliance with ISO27001 certification
- Train and monitor financial control and authorization processes

### Key Performance Indicators and Targets

Frendy’s governance framework prioritizes secure and responsible IT operations across our services and infrastructure. As identified in our materiality analysis, IT and data security is a core area of risk management and stakeholder trust, and one of our most material governance themes.

2025 results against our governance targets:

- Severe cybersecurity incidents: 0
- Code of Conduct breaches: 0
- Financial control breaches: 0
- ISO 27001 certification maintained (annual audit passed)
- Convictions or fines for corruption/bribery (B11): 0

All 2025 governance targets achieved.

### Information security & data governance

In 2025, Frendy continued to make strides in strengthening internal and external IT and data security, reflecting increasing expectations from regulators and customers and our internal ambition to proactively manage risks and build digital trust.

We maintained our ISO 27001 certification, passing the annual audit with only two minor non-conformities, both resolved without delay. Auditors noted improvements to our internal processes and strong commitment from leadership.

Frendy completed an internal review of its alignment with the EU NIS2 Directive and confirmed that no major changes were required — our existing controls were already in line with the directive’s requirements.

As part of our commitment to a strong security culture, we launched phishing simulations and micro-trainings across the organization early in the year. These now form a fixed part of our annual security training cycle.

### Compliance, policy & internal controls

We refreshed our Code of Conduct (Board-approved 1 March 2024) to reflect regulatory updates and clarify expectations on ethics, compliance, and IT governance. Training on the updated content was completed by 100% of personnel.

We enhanced internal IT governance: the IT function was reorganized to improve administrative oversight, and we began evaluating identity and access management (IAM) solutions to replace manual access control procedures.

In parallel, we centralized customer infrastructure by migrating services into Frendy’s own data centers, improving control, security, and operational reliability. 100% of people leaders were trained on financial control and authorization procedures during the year.



## Business conduct, ethics and compliance

### Code of Conduct

Frendy's Code of Conduct is the foundation of our responsible and ethical operations. It is anchored in the UN Global Compact and the UN 2030 Agenda, with a particular focus on SDGs 5, 8, 13 and 16. The Code applies to every Frendy employee regardless of role or location, and the same standards are required of our suppliers, subcontractors, and partners.

The Code is built on three pillars:

- **Compliance** — obeying laws, data protection, business confidentiality, and fair competition.
- **Integrity** — avoiding conflicts of interest, zero tolerance for bribery, reasonable hospitality, honest communications, and care of company assets.
- **Responsibility** — respect for human rights, equal and non-discriminatory treatment, minimizing our environmental footprint, and helping customers reduce theirs through IT.

The current Code was approved by the Frendy Holding Oy Board on 1 March 2024 (original version 26 November 2021) and is owned by the leadership team, with line managers responsible for day-to-day enforcement.

### Convictions and Fines (VSME B11)

In the 2025 reporting period, Frendy recorded zero convictions and zero fines (€0) for breaches of anti-corruption and anti-bribery laws.

### Whistleblower Mechanism

Frendy maintains a confidential whistleblower channel via the WhistleB platform, publicly available through the company's homepage for secure reporting of ethical or compliance concerns. During 2025, 1 report was submitted and investigated.

### Human Rights

Frendy operates exclusively in Finland and complies in full with Finnish labor and equality law, which embeds the human-rights standards of the EU Charter of Fundamental Rights and ILO core conventions. As a distributor, we do not directly employ workers in our suppliers' operations; a dedicated supplier code of conduct is planned for 2026. In 2025, Frendy recorded zero severe negative human-rights incidents linked to its own operations.

### Due Diligence and Reporting Controls

Frendy does not yet operate a stand-alone sustainability due-diligence process, but due-diligence principles are embedded in strategy, operations and ethical guidelines. Internal controls for sustainability reporting follow existing financial frameworks, with risk assessment prioritized by materiality.

### Taxation and Financial Responsibility

Frendy operates in Finland (with a small Latvian unit) and complies fully with national tax laws. All corporate taxes are paid in Finland, contributing to the public economy through taxes on income, employment and purchases.

## Board composition and diversity

### Diversity within the Board and management team

Frendy is committed to balanced representation across its governance and management bodies. Despite the IT industry being known as male-dominant, Frendy's management team has reached 40% female representation (2 of 5 members) at the end of 2025.

The Board welcomed its first female member in Q4 2024, marking an important step in governance diversity.

### Management team

Frendy's management team consists of five roles led by the CEO, who together translate Board direction into day-to-day execution and ESG implementation.

### Board of Directors — gender ratio (2025)

- Total members: 6 — Male: 5 (83%) • Female: 1 (17%) • Other: 0

### Management team — gender ratio (2025)

- Total members: 5 — Male: 3 (60%) • Female: 2 (40%) • Other: 0

### Certifications and external commitments

Frendy holds ISO 27001 (Information Security Management) certification, reflecting our focus on secure and responsible handling of customer data and IT operations.

Frendy does not currently hold environmental or energy management certifications of its own. Where these standards are relevant for our service delivery — particularly in data centers — we work with partners that hold ISO 14001 (Environmental Management) and ISO 50001 (Energy Management), ensuring environmental and energy management maturity in the services we provide to customers.

In January 2025, Frendy formally committed to the Science Based Targets initiative (SBTi), with target validation planned in the SBTi roadmap. Frendy's Code of Conduct and sustainability work are anchored in the UN Global Compact.



## Development and activities in 2025

### Board operations

The Board remained actively engaged in strategic decision-making and overseeing governance, with regular meetings supported by structured materials and formal documentation. Board minutes, formal resolutions and digital approval procedures were consistently applied to ensure transparency and accountability.

### ESG governance

ESG governance was further integrated into the Frendy Group's governance framework, with ESG matters reviewed at both management and Board level. A structured roadmap for ESG development and CSRD preparedness was presented to the Board, supporting the Group's long-term sustainability ambitions.

Following the Omnibus revision of the Corporate Sustainability Reporting Directive (CSRD) in 2025, the scope of mandatory sustainability reporting was significantly narrowed. The updated thresholds limit the applicability primarily to large companies with more than 1,000 employees and €450 million in net turnover.

Based on these revised criteria, Frendy is currently not within the scope of the CSRD and is therefore not subject to mandatory reporting under the directive. The final applicability remains subject to national implementation of the revised legislation.

### Enterprise risk and crisis management — 2025 development

Risk management practices were further formalized during 2025. A revised risk management framework was prepared and is being phased in across operations, with clearer ownership and reporting cycles. Crisis management practices were also developed in parallel.

### Audit, internal control and financial governance

External audit observations were used to systematically strengthen internal control processes. Compliance with financing-agreement obligations was maintained throughout the year, and financial control and authorization procedures were reinforced through training for people leaders.



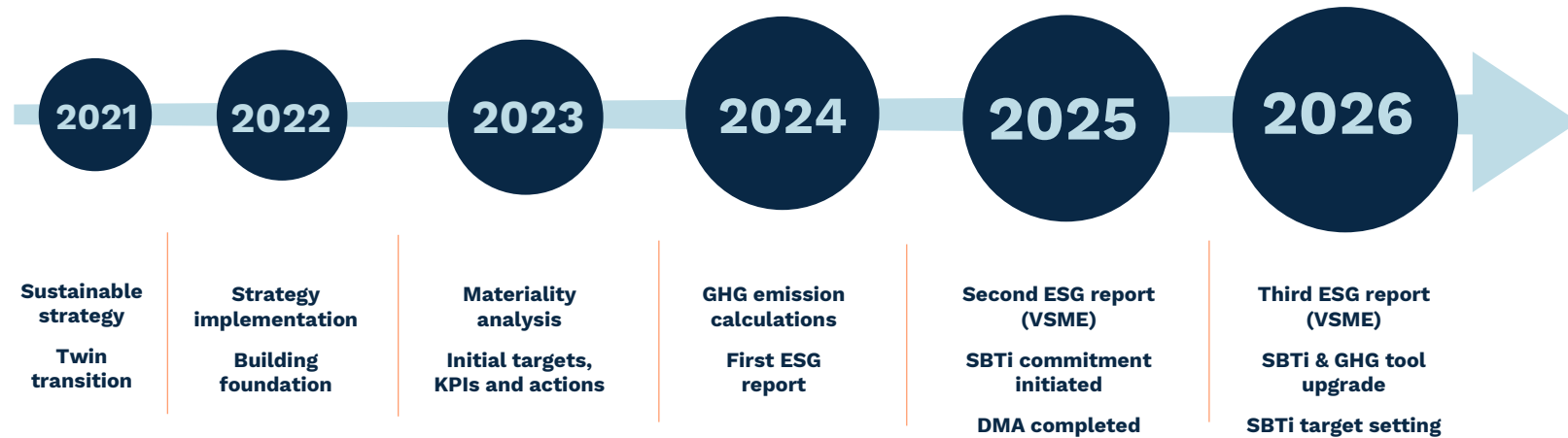
## Next steps in our journey



## Next Steps

In 2026, our ESG journey will focus on moving from a strong foundation into a more visible and mature next phase. We want sustainability to be seen more clearly in how Frendy grows, serves customers and creates long-term value.

This means continuing to strengthen our environmental impact through circularity and better data, deepening our focus on people, leadership and customer experience, and building governance practices that support transparency, accountability and resilience.



Building on 2021–2024 foundations, 2025–2026 turns ambition into measurable progress: a second VSME-aligned ESG report, completed DMA, SBTi commitment and target setting, and continued GHG tool upgrades.

Overall, 2026 will be about making our ESG direction more tangible through practical progress, clearer priorities and a stronger connection between business performance and sustainable value creation.

# Focus areas and actions in 2026

	Environment	Social	Governance
<b>Key focus areas based on materiality analysis</b>	<b>Planet in balance</b> <ul style="list-style-type: none"> <li>- Climate</li> <li>- Circular economy</li> </ul>	<b>Attractive workplace and sustainable economic growth</b> <ul style="list-style-type: none"> <li>- Satisfied employees</li> <li>- Diversity, equity and inclusion</li> <li>- Satisfied customers</li> </ul>	<b>Good governance</b> <ul style="list-style-type: none"> <li>- Business ethics</li> <li>- Regulatory compliance</li> <li>- Transparency</li> <li>- IT and data security</li> </ul>
<b>Impact on UN Sustainable Development Goals</b>		 	 
<b>Key KPIs and targets</b>	<b>Reduce GHG emission intensity</b> <ul style="list-style-type: none"> <li>- GHG (tons, CO2ekv) / sales</li> <li>- GHG (tons, CO2ekv) / employee</li> <li>- SBTi targets set during 2026 that guide our efforts towards meeting the Paris Agreement targets</li> </ul>	<b>Increase workplace attractiveness</b> <ul style="list-style-type: none"> <li>- Employee satisfaction: &gt; 4/5 by the end of 2026</li> <li>- Diversity: &gt; 15% female employees by the end of 2026</li> </ul> <b>Ensure long-term economic growth</b> <ul style="list-style-type: none"> <li>- Customer end user satisfaction: &gt; 4/5 continuously</li> <li>- Customer decision maker satisfaction: &gt; 4/5 continuously</li> </ul>	<b>Ensure good governance</b> <ul style="list-style-type: none"> <li>- Severe cyber security incidents: 0</li> <li>- Code of conduct breaches: 0</li> <li>- Financial control breaches: 0</li> </ul>
<b>ACTIONS IN 2026</b>	<ul style="list-style-type: none"> <li>• Complete &amp; maintain EcoVadis assessment</li> <li>• Progress to HP Amplify Impact Leader status</li> <li>• Double refurbished device sales year-on-year</li> <li>• Initiate Science Based Targets (SBTi) target setting</li> <li>• Expand product-level CO<sub>2</sub> reporting; &gt;90% direct deliveries</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen work ability &amp; wellbeing practices and leadership capabilities</li> <li>• Secure compliance with EU pay transparent directive</li> <li>• Advance fair &amp; transparent career development by renewing grading and career development model</li> <li>• Develop customer management model and cross-team cooperation</li> <li>• Strengthen customer experience measurement to sustain &gt;4/5 satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain ISO/IEC 27001 certification</li> <li>• Strengthen information security awareness (training, micro-learning)</li> <li>• Refine privacy &amp; data protection practices</li> <li>• Build EU AI Act readiness</li> <li>• Prepare for EU Pay Transparency Directive; clarify ESG roles &amp; responsibilities</li> </ul>

## Frendy's ESG priorities for 2026 onwards (1/3)

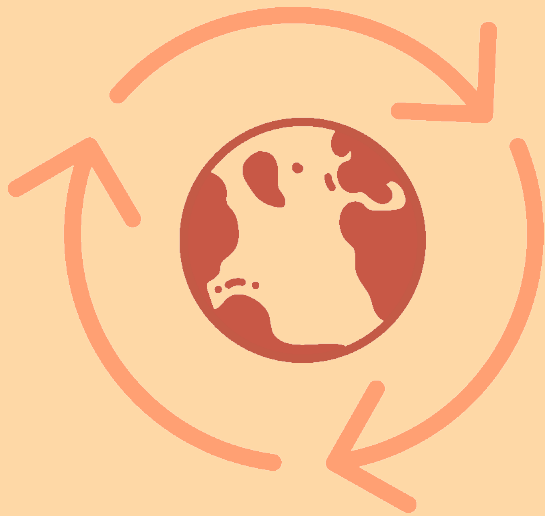
### Environment

In 2026 and beyond, including into 2027, Frendy will continue to strengthen the environmental dimension of its business model by advancing circular economy solutions, improving emissions transparency and reducing logistics-related impacts. The focus remains on extending device lifecycles, increasing the share of refurbished devices, and further embedding sustainability criteria into procurement and delivery practices. These actions support both Frendy's own environmental performance and its ability to provide customers with more reliable sustainability data for their decision-making and reporting.

- Frendy aims to complete and maintain the **EcoVadis assessment** to strengthen external validation of its sustainability management and continuous improvement practices.
- The company seeks to progress to **HP Amplify Impact Leader status**, building on the 3 stars level achieved in 2025 and reinforcing its position as a sustainability-focused IT partner.
- A key commercial and environmental target is to **double refurbished device sales year on year**, thereby increasing circularity and reducing the need for new device production.

- Frendy will continue to improve logistics efficiency with a target of **more than 90% direct deliveries**, closing the gap from 88% in 2025 and helping to reduce unnecessary transport emissions.
- Environmental data quality will be enhanced by expanding **product-level CO<sub>2</sub> reporting** in cooperation with key distribution and vendor partners, including HP, ALSO, TD Synnex, Apple and Inrego.
- Customer awareness and uptake of circular services will be supported through targeted initiatives, including an **end-of-life events**, and continued collaboration across the device value chain.
- Frendy will initiate **Science Based Targets initiative (SBTi) target setting in 2026** to establish a more structured, science-aligned framework for its emissions reduction work and long-term climate ambition.
- Device lifecycle management will continue to emphasize long usable lifetimes, responsible end-of-life handling, and procurement choices that support lower lifecycle emissions.

Together, these priorities reflect Frendy's intention to link business growth with measurable environmental benefits through more circular offerings, better data, more efficient operating practices, stronger external validation of sustainability performance, and a more structured approach to climate target setting.



## Frendy's ESG priorities for 2026 onwards (2/3)

### Social

Frendy's social priorities for 2026 and beyond center on employee wellbeing, capable leadership, fair people practices and a consistently high-quality customer experience. The company's approach is to strengthen a responsible and people-centered culture through better use of data, proactive leadership and scalable customer management practices.

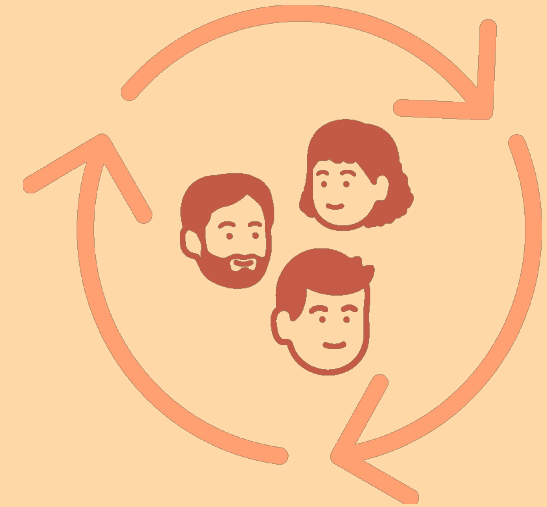
### Own employees

- Frendy will continue to develop **work ability and wellbeing practices**, with a focus on supporting employees through leadership, self-awareness and early support models.
- Leadership capabilities will be further strengthened in areas such as **people management, early intervention and everyday supervisory work**.
- The company aims to make more systematic use of **people data**, including wellbeing, absence and attrition indicators, to support evidence-based development and decision-making.
- Frendy will continue to advance **fair and transparent HR practices**, including the development of its grading structure and career development model.
- Employee experience remains a clear priority, with an ambition to maintain **employee satisfaction at a high level**.

### Customer

- Frendy will continue to develop its **customer relationship management model** through clearer processes and responsibilities, with the aim of improving consistency in customer management practices across the organization.
- Development work will strengthen **cooperation between sales, customer success and service management**, enabling more seamless customer service and stronger shared ownership of the customer relationship.
- The company will place greater emphasis on **proactive customer communication and value creation**, helping customers receive more relevant support and guidance in their daily business.
- Frendy also aims to improve **customer experience measurement, reporting and customer understanding** in order to maintain high end-user satisfaction, strengthen loyalty and make customer relationship management more scalable.

These actions support Frendy's goal of being a trusted and attractive partner for both employees and customers, while ensuring that growth is supported by strong leadership, fair practices and responsive service.



## Frendy's ESG priorities for 2026 onwards (3/3)

### Governance

Frendy's governance priorities for 2026 onwards emphasize strong information security, regulatory preparedness, clear accountability and the continued development of ESG management practices. The company will build on its existing governance foundation by maintaining certified management systems, improving internal controls and preparing for new regulatory requirements that are relevant to its operations.

- A central priority is to maintain **ISO/IEC 27001 certification** through continued audit readiness, disciplined information security management and ongoing development of security practices.
- Frendy will continue to strengthen **information security awareness** through personnel training, including micro-learning approaches that support continuous learning in daily work.
- The company will further refine its **privacy and data protection practices** to ensure that data protection is embedded in operational processes.
- In response to the evolving regulatory environment, Frendy will progress its preparedness for the **EU AI Act** by identifying AI systems in use, assessing applicability and developing the necessary governance controls and documentation.

- The company also aims to prepare for compliance with the **EU Pay Transparency Directive** by strengthening relevant people, governance and reporting practices.
- Further priorities include clarifying **ESG roles and responsibilities** across the organization, enhancing ESG data collection and reporting capabilities, and strengthening the internal control environment through systematic follow-up and continuous improvement.
- Frendy will also continue to develop **crisis management and continuity practices** to support resilience in the event of disruptions or security-related incidents.

Through these measures, Frendy seeks to ensure that sustainability-related governance is practical, accountable and aligned with both stakeholder expectations and the evolving regulatory landscape in Europe.



## Thank you!

*In conclusion, 2025 was the year we put structure behind the values we've always operated by. We published our first VSME-aligned sustainability report, achieved ISO/IEC 27001 certification, advanced on EcoVadis and HP Amplify Impact, grew refurbished device sales, and kept employee and customer experience strong.*

*The work doesn't stop here. In 2026 we'll deepen what we've started — SBTi targets, broader product-level CO<sub>2</sub> reporting, fairer and more transparent people practices, and readiness for what's coming next in EU regulation.*

*Thank you to our people, customers and partners for walking this road with us.*

**Strategy and sustainability are no longer separate conversations. To future-proof our businesses, we don't need sustainability strategies — we need sustainable strategies. We hope more competitors, customers and partners will join us there.**

# Appendix



# Voluntary Sustainability Reporting Standard for non-listed SMEs: content

Topic	Code	Disclosure	Content reference	Page
<b>B. Basic Module</b>				
General	B1	Basis for preparation	Basis for preparation	<a href="#">4</a>
	B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	Our sustainability approach; How sustainability is governed	<a href="#">11, 25</a>
Environment	B3	Energy and greenhouse gas emissions	Environment: KPIs, Targets and Actions	<a href="#">30</a>
	B4	Pollution of air, water and soil	Environment: KPIs, Targets and Actions; Other environmental topics	<a href="#">30-32</a>
	B5	Biodiversity	Environment: KPIs, Targets and Actions; Other environmental topics	<a href="#">32</a>
	B6	Water	Environment: KPIs, Targets and Actions; Other environmental topics	<a href="#">32</a>
	B7	Resource use, circular economy and waste management	Environment: KPIs, Targets and Actions; Waste and circular economy	<a href="#">31-32</a>
Social	B8	Workforce — General characteristics	Social: KPIs, targets and actions; Workforce structure & gender diversity; Personnel figures	<a href="#">36, 37-39</a>
	B9	Workforce — Health and safety	Wellbeing, occupational health and safety; Personnel figures	<a href="#">36, 37-39</a>
	B10	Workforce — Remuneration, collective bargaining and training	Social dialogue; Personnel figures	<a href="#">36, 39</a>
Governance	B11	Convictions and fines for corruption and bribery	Business conduct, ethics and compliance — Convictions and Fines	<a href="#">43</a>
<b>C. Comprehensive Module</b>				
General	C1	Strategy: business model and sustainability-related initiatives	This is Frendy; Our growth story; Our sustainability approach	<a href="#">8-12</a>
	C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Frendy's ESG priorities for 2026 onwards (1/3, 2/3, 3/3)	<a href="#">49-51</a>
Environment	C3	GHG emissions reduction targets and climate transition	Frendy commits to Science-Based Climate Targets	<a href="#">26</a>
	C4	Climate risks	Double materiality analysis (1/2, 2/2)	<a href="#">22-23</a>
Social	C5	Additional (general) workforce characteristics	Personnel figures; Wellbeing and people	<a href="#">38-39</a>
	C6	Additional own workforce information — human rights policies and processes	Business conduct, ethics and compliance — Human Rights	<a href="#">43</a>
	C7	Severe negative human rights incidents	Business conduct, ethics and compliance — Human Rights	<a href="#">43</a>
Governance	C8	Revenues from certain sectors and exclusion from EU reference benchmarks	Company description — Sector exclusions	<a href="#">5</a>
	C9	Gender diversity ratio in the governance body	Board composition and diversity	<a href="#">44</a>