

Harvia Group Sustainability Policy

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1. Background and purpose

This Policy addresses the main principles and rules followed by Harvia Plc and Harvia Group Companies in relation to the sustainable development of environmental, social and governance (ESG) aspects. This Policy is applicable to all employees of Harvia Group, and to anyone working for or acting on behalf of a Harvia Group Company.

The purpose of this Policy is to provide a transparent signal of Harvia Group's commitment to operating sustainably and its aim to continuously enhance its performance.

This Policy sets forth Harvia Group's sustainability governance framework and reporting and describes how the assessment of impacts, risks and opportunities related to environmental, social and governance aspects is conducted in Harvia Group.

2. Definitions

As used in this Policy, the following terms shall have the meanings set out below:

ESRS	refers to the Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards
Harvia Group CEO	refers to the CEO of Harvia Plc
Harvia Group Companies/ Company	refers to Harvia Plc together with all its subsidiaries (each a "Group Company")
Policy	refers to this document
ERM	Enterprise Risk Management. Applies the COSO Enterprise Risk Management methodology.

3. Harvia Group's strategy and sustainability-related matters

Harvia Group's purpose is to contribute to a long and good life through healing with heat. Our vision is to become the insightful leader in sustainable wellbeing experiences in all sauna categories, cultures and health benefits – both for consumers and professionals all over the world.

Our strategy centers on four key focus areas: 1) Delivering the full sauna experience, 2) Winning in strategically important markets, 3) Leading in key channels, and 4) Best-in-class operations and great people. We have defined our strategic role as "Shaping the global sauna market so that everyone has a reason to experience sauna."

Sustainability is integral to Harvia Group's strategy and vision, guiding us as we execute our strategic role. Overall, Harvia Group's business creates significant value for its stakeholders and the broader society.

Harvia Group is committed to acting sustainably and upholding high ethical standards across all our operations. To achieve this, we engage in continuous and transparent dialogue with our

stakeholders. Our operations are guided by Harvia Group's Code of Conduct, Supplier Code of Conduct, and our established governance practices and procedures.

Sustainability is embedded in all Harvia Group operations, activities, and decision-making. As part of our diligent practices, we expect our business partners, including subcontractors, customers, suppliers, and other stakeholders, to adhere to similar standards.

3.1 Harvia Group's commitments and implementation

Harvia Group's actions are based on compliance with applicable laws and regulations, Harvia Group's Code of Conduct and other company policies, principles, guidelines and instructions. Harvia Group is committed to:

- promoting applicable goals as defined in the UN Sustainable Development Goals (SDG). The company analyzes and selects the SDGs on which it sees itself as having the greatest impact;
- operating in accordance with the UN Charter on Human Rights and core conventions of the International Labor Organization (ILO);
- ensuring compliance with the OECD Guidelines for Multinational Enterprises; and
- ensuring compliance with the OECD Guidelines for Good Corporate Governance

4. Assessment of ESG impacts, risks and opportunities in Harvia

Harvia Group assesses its ESG risks and opportunities regularly as part of its enterprise risk management (ERM). The more detailed assessment of the ESG impacts and related risks and opportunities are assessed according to the double materiality assessment.

4.1 Double materiality assessment approach

Harvia Group carries out a double materiality assessment according to the provisions of the ESRS. Harvia Group engages its stakeholders in the double materiality assessment by conducting a survey and interviews to identify the impacts, risks and opportunities that stakeholders deem material to Harvia Group's business. The analysis is conducted with a holistic perspective to identify the most relevant environmental, social and governance aspects throughout Harvia Group's entire value chain.

Harvia Group evaluates the material impacts and matters to be reported by assessing all its impacts, including those of its own activities, business relationships, and stakeholders. Harvia Group adopts thresholds to determine which of the impacts will be covered in its sustainability statement. Harvia Group may utilize scientific and analytical research on impacts in sustainability matters.

Harvia Group assesses its financial impacts by identifying potential and actual risks and opportunities that affect or could reasonably be expected to affect Harvia Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term. Subsequently, it determines which of the identified risks and

opportunities are material to reporting by assessing the likelihood of occurrence and the potential magnitude of the determined financial effects based on appropriate thresholds.

Harvia Group’s prioritization of material sustainability matters can be based on recognized science-based frameworks, research and calculations, stakeholder feedback and societal trends in combination with a thorough assessment of impacts, risks and opportunities.

Through Harvia Group’s collaboration with its stakeholders and through a specific materiality assessment process led by Sustainability Steering Group, Harvia Group defines the focus areas and goals of its sustainability work and establishes its sustainability program.

The goals are converted into targets that are shared with relevant Harvia Group business units and reviewed, updated and evaluated as defined in Harvia Group’s internal reporting. The sustainability-related targets and performance monitoring are integrated into the overall performance reporting.

Harvia Group conducts the double materiality assessment annually. After the first year of CSRD reporting, Harvia Group will review the information required by the ESRS that needs to be supplemented from its previous report and assess the effectiveness of the measures taken to fulfill, for example, established plans, procedures and controls as well as set targets and metrics. A short description of the analysis shall be included in the reporting.

4.2 Review of the results of the double materiality assessment

To focus on its actions and maximize its progress, Harvia Group has defined priority areas and targets. Harvia Group has determined that it shall report on the following sustainability matters:

Harvia Group’s high impact and strategic ESG priorities and enablers	Harvia Group’s material Sustainability ESRS topics
<p>HIGH IMPACT AND STRATEGIC ESG PRIORITIES</p> <ul style="list-style-type: none"> Innovation Sustainable supply chain & responsible sourcing Climate change and GHG emissions Employee safety wellbeing & equal opportunities Health benefits of sauna Product safety and quality <p>SUSTAINABILITY ENABLERS</p> <ul style="list-style-type: none"> Guidance on sustainable experiences Data protection and safety Sustainable materials and product lifecycle Good governance and business ethics 	<p>GENERAL</p> <p>ENVIRONMENT</p> <ul style="list-style-type: none"> E1 Climate Change E5 Resource use and circular economy <p>SOCIAL</p> <ul style="list-style-type: none"> S1 Own Workforce S2 Workers in the value chain S4 Consumers and end-users <p>GOVERNANCE</p> <ul style="list-style-type: none"> G1 Business conduct

The aforementioned material sustainability matters are taken into account in Harvia Group's sustainability program and commitments.

5. Harvia Group's sustainability governance and reporting

Harvia Group's sustainability governance is structured as follows:

- **The Board of Directors** of Harvia Plc is accountable for approval of Harvia Group's strategy as well as sustainability program and targets derived from thereto and supervision of the company's sustainability reporting. **The Audit Committee of the Board of Directors** performs the supervision duties in accordance with the provisions of the Finnish Limited Liability Companies Act and the Charter of the Audit Committee that are in force at a given time.
- **Harvia Group's CEO and the Group Management Team** are responsible for the implementation of strategy and the sustainability program and supervision of the achievement of targets. When necessary, the Group Management Team proposes updates and revisions to strategy, sustainability program and sustainability targets to the Board of Directors of Harvia Plc. On behalf of the Group Management Team, the CEO of Harvia Group reports to the Board of Directors on the progress of implementing the sustainability program.
- Harvia Group's strategic sustainability work is managed by the **Sustainability Steering Group** and implemented in all applicable business areas and functions. Amendments to strategic direction, Group-level goal-setting, and delivery as well as new policies are evaluated and prepared by the Sustainability Steering Group, and they are approved by the Board of Directors. The Sustainability Steering Group is led by Head of Marketing and Brands and consists of those Group Management Team members, who are the owners of the Harvia sustainability commitments, sustainability reporting expert and operations experts from key regions. The Sustainability Steering Group tracks implementation and progress and reports to the Group Management Team.
- Tactical implementation is done within **local units** as well as via **cross-functional teams**, where Harvia Group's Quality & Environment, Procurement, and the Human Resource teams as well as teams responsible for product management, R&D and marketing are of particular importance. Local units and cross-functional teams are responsible for local sustainability performance reporting.
- **Harvia Group's employees and anyone working for or acting on behalf of a Harvia Group Company** is responsible for complying with this Policy and other applicable sustainability principles, Harvia Group's values, existing sustainability commitments and Code of Conduct and all applicable laws and regulations. Since Harvia Group operates in multiple countries, every employee and anyone working for or acting on behalf of a Harvia Group Company shall make sure that they know the laws and regulations related to their job in the country (or countries) where they operate. All possible risks of wrongdoing or violations shall be reported to Harvia's Whistleblowing channel that is open for all. Internally Harvia Group intranet is used to instruct

sustainability processes and as the channel to raise awareness of sustainability opportunities and encourage to bring ideas to the Sustainability Steering Group for discussion.

5.1 Due diligence processes

5.1.1 Mitigation actions

Harvia Group strives to strengthen its practices and puts in place processes to identify and engage with employees and suppliers to mitigate the risk of environmental and social impacts. The selection of new suppliers, as well as decisions to continue existing business relationships, is influenced by the results of these mitigating actions.

5.1.2 Remediation plans

Harvia Group acts upon findings from its due diligence and mitigation work together with its employees and suppliers to remedy any possible negative impacts. In the case of non-responsiveness from a supplier, and as a last resort, Harvia Group can terminate a commercial relationship where remediation cannot be achieved.

5.1.3 Training and cooperation with stakeholders

Harvia Group engages with its stakeholders to receive insights and feedback to direct its sustainability work, development work, especially related to the sauna and spa industry, goal-setting and enhances understanding of stakeholders' needs and expectations. Harvia Group aims to assist its upstream and downstream stakeholders with their sustainability work by arranging training, sharing instructions and studies and to raise awareness of best practices.

6. Harvia Group's stakeholder engagement

Harvia Group generates value for its stakeholders throughout the entire value chain, from its employees to suppliers, partners, retailers, consumers, and shareholders, as well as the communities in which it operates. The following table sets out the list of Harvia Group's stakeholders and Harvia Group's functions and units that carry out stakeholder engagement activities.

Stakeholder Group	Harvia Group's function or unit
Employees	HR Operations Local units Sustainability Steering Group
Consumers and end-users	Products & Solutions Innovation & Technology Marketing & Brands Quality & Environment IT
Customers and partners	Sales Purchasing

	IT Quality & Environment Innovation & Technology Products & Solutions Marketing & Brands
Suppliers	Purchasing Quality & Environment
Owners, investors and board	Group Management Team Sustainability Steering Group Quality & Environment Finance
Media & influencers	Marketing & Brands Products & Solutions Sales Sustainability Steering Group
Authorities	Group Management Teams Finance Sustainability Steering Group Products & Solutions Innovation & Technology Quality & Environment
Universities	Innovation & Technology Marketing & Brands Products & Solutions Operations

7. Review and implementation of the Policy

This Policy shall be reviewed when necessary, and at least annually, by the Sustainability Steering Group. The Group CEO is accountable for ensuring that the Policy remains current based on the scope of Harvia Group's activities, its operating and legal structure, strategic plans, regulatory changes, stakeholders' expectations, and the nature of its customers. The Group CEO has the overall responsibility for the implementation of this Policy in accordance with the instructions set forth by Harvia Plc's Board of Directors.

Any significant non-compliance with this Policy will be brought to the attention of the management. This Policy is publicly available and continuously communicated, both internally and externally. Any additional guidelines, instructions and principles shall not conflict with this Policy unless arising from applicable legislation. In case of conflict between this Policy and locally binding set of rules and company specific guidelines, the Policy shall be aligned with local normative requirements. Should there be any discrepancies between this Policy and Harvia Group's Code of Conduct in force at a given time, the Code of Conduct shall prevail. This Policy has been translated into Finnish, in case of any discrepancies, this original English version shall prevail.

Any updates or revisions to this Policy shall be approved by the Board of Directors of Harvia Plc.

Approved by Board of Directors, 5.11.2024