



HARVIA



HEALING
WITH HEAT

**HARVIA PLC
ANNUAL REPORT**

2024

Harvia is shaping the
global sauna market
so that everyone
has a reason to
experience sauna

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HARVIA IN BRIEF

Great sauna experiences for everyone

Harvia is the global leader in the sauna market in terms of revenue and global reach. Since its establishment in 1950, Harvia has accumulated knowhow on all sauna cultures and sauna types across the world. Around them, the company has built a comprehensive offering, from heaters and their components to full sauna solutions.

Harvia has Finnish roots but a global reach: its products are sold in approximately 90 countries.

In 2024, Harvia's share of the sauna market was estimated to be 5%, and the company's share of the sauna heater and sauna component market was estimated to be over 20%.

Harvia delivers sauna experiences through various forms of heat and cold. The company has two global master brands, Harvia and EOS, complemented by

three independent regional and tactical brands: Almost Heaven Saunas, ThermaSol, and Kirami. With their extensive range of products, Harvia offers tailored sauna solutions to consumers and professionals alike.

Harvia has grown strongly in the past years, both organically and through acquisitions. Harvia's revenue in 2024 was EUR 175.2 million and adjusted operating profit EUR 37.1 million, 21.2% of revenue.

Harvia employs around 700 professionals in Europe, North America, and Asia. Approximately third of the company's employees work in Muurame, Central Finland, where the company has its headquarters and its largest production facilities.

The company's shares are listed on the official list of Nasdaq Helsinki in the Mid Cap segment (HARVIA).



REVENUE IN 2024

175.2M€

PERSONNEL IN 2024

696

KEY FIGURES

Strong growth and profitability in 2024

175.2

REVENUE, EUR MILLION

37.1

ADJUSTED OPERATING PROFIT, EUR MILLION

21.2%

ADJUSTED OPERATING PROFIT MARGIN

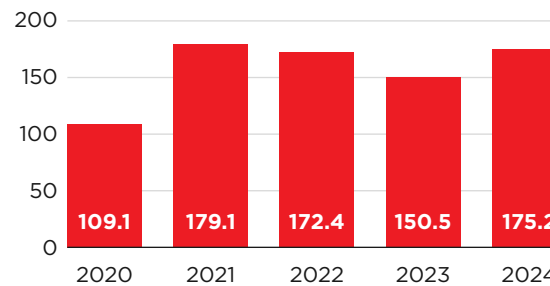
35.0

OPERATING FREE CASH FLOW, EUR MILLION

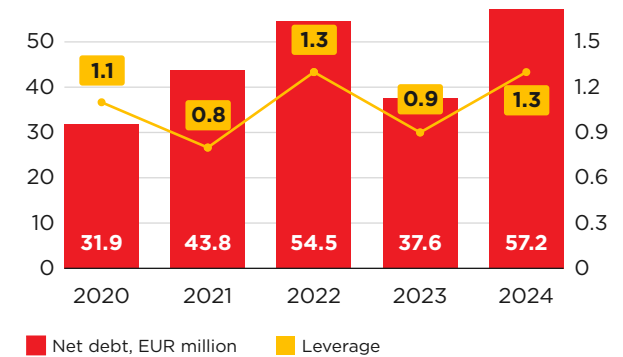
47.2%

EQUITY RATIO

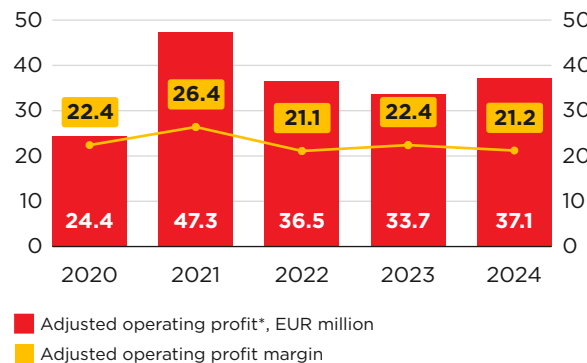
REVENUE, EUR MILLION



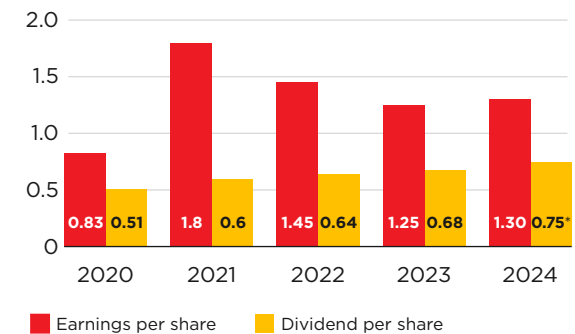
NET DEBT AND LEVERAGE



ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN



EARNINGS PER SHARE AND DIVIDEND PER SHARE, EUR



* Adjusted by items affecting comparability

* Dividend per share for 2024 is the dividend proposal of Harvia's Board of Directors to the 2025 Annual General Meeting.

Q&A with CEO Matias Järnefelt

HOW WOULD YOU SUMMARIZE HARVIA'S YEAR 2024 FROM THE FINANCIAL POINT OF VIEW?

2024 was a strong year for Harvia. We succeeded in turning our revenue back to growth after two years of decline, with a double-digit increase of 16.4% to EUR 175.2 million. The positive development was driven especially by the strong organic growth in North America and APAC & MEA as well as the acquisition of ThermaSol.

We met our long-term financial target level in 2024 also in terms of profitability and balance sheet. Adjusted operating profit reached EUR 37.1 million, making up 21.2% of the revenue. Leverage was 1.3 – well below the company's long-term financial target of under 2.5.

I want to thank the entire team Harvia and our partners for their good work through 2024.

HOW WAS HARVIA'S STRATEGY IMPLEMENTED DURING THE YEAR?

Harvia updated its long-term financial targets and strategy in May to reflect the company's strategic role, which the company defines as "Shaping the global sauna market so that everyone has a reason to experience sauna". We want to be an active market maker to grow the global sauna market and create exciting innovations and sustainable solutions while maintaining strong profitability and operational performance.

The execution of the updated strategy progressed well during the year. The acquisition of U.S. steam solutions manufacturer ThermaSol in July strengthened our position in North America and increased our capabilities especially in steam and in digital solutions. The acquisition is also well aligned with our strategy and aim of being an active industry consolidator. The integration of ThermaSol has started off well, and we are eager to capture all the growth opportunities and cost synergies that the acquisition is estimated to bring us.



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We want to be an active market maker to grow the global sauna market and create exciting innovations and sustainable solutions.”

WHAT WERE THE KEY CHARACTERISTICS OF HARVIA'S BUSINESS OPERATIONS IN 2024?

The market environment remained mixed during the year. The market conditions were favorable in North America and APAC & MEA, where the awareness of sauna and its health benefits continued to increase. In Continental Europe, the market remained rather challenging despite positive development especially in the professional and more high-end segments. In Northern Europe, the market has been difficult for a long time. This is true particularly for Finland, where low activity in the construction and housing market as well as weak consumer confidence put significant pressure on our sales throughout the year.

Throughout the year, Harvia's business operations responded well to the mixed market conditions and changes in the operating environment, including the high demand in North America especially during the winter season and political strikes in Finland during the first quarter. To meet market demand, we deliberately increased our inventories in the fall ahead of the high-demand winter season especially in North America and continued to build up the inventory until November.

In the course of the year, we made several investments into our production facilities to further improve our operational efficiency and production capacity. We also continued to strengthen our organization and drive portfolio development. During the fourth quarter, we launched several new products to the market, and I am glad to see that our innovation pipeline keeps developing well.

LOOKING FORWARD - HOW IS HARVIA POSITIONED FOR THE YEAR 2025?

In 2025, we will remain fully focused on driving profitable growth and strengthening our position as the global sauna market leader. Reaching our long-term profitability target of over 20% adjusted EBIT is very important for us. North America and APAC & MEA continue to be our largest growth drivers and will be the key priority of our growth efforts also in the future. In Europe, we are working hard to achieve higher levels of sales, even if the market conditions have not provided us with any tailwind. Strengthening our portfolio and digital capabilities has a key role in building more innovative and sustainable offering and securing our future success.

As a global company, we are closely monitoring geopolitical and macroeconomic developments, such as tightening trade policies. Increasing tariffs in the United States may also have an impact on Harvia. However, Harvia is well positioned in the United States, especially compared to many of our competitors, as a clear majority of end products we sell in the United States are also manufactured domestically. This reduces Harvia's exposure to potential U.S. tariffs.

Year 2025 is the 75th anniversary year for Harvia. We are proud of our rich heritage as a pioneer in the sauna business and are looking forward to the next chapter of Harvia's development. Harvia starts the year from an excellent position.



STRATEGY

To further accelerate growth, Harvia updated its strategic focus areas and long-term financial targets in May 2024. During the year, Harvia successfully executed the updated strategy, driving profitable growth and strengthening its foothold especially outside Europe in North America and APAC & MEA.

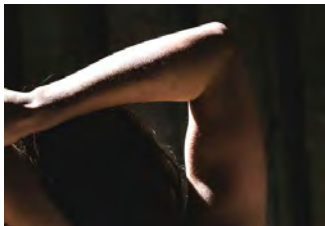
Harvia has the leading position in the global sauna market.

Industry trends shaping the market

Harvia has identified six key drivers that impact the sauna industry. These trends are expected to drive market demand and offer growth opportunities for Harvia also in the coming years.

Wellness and health

People are willing to invest in better and longer lives.



Regular sauna bathing several times a week has been scientifically proven to reduce the risk of cardiovascular diseases, pulmonary disease, stroke, and dementia, among others. Sauna bathing also relaxes muscles, improves sleep quality, and nourishes the skin.

In line with its Healing with heat philosophy, Harvia is developing sauna experiences that have targeted wellness benefits.

Experience economy

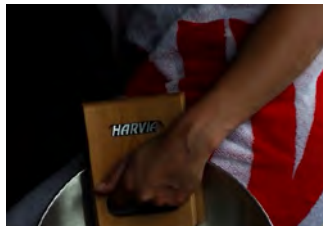
Consumers globally are willing to spend more on experiences that enrich their lives.



Harvia aims to continuously offer people versatile reasons to go to sauna (such as better sleep, health, entertainment, relaxation, beauty, and enjoyment), and inspire them through exciting innovations.

Growing awareness

Awareness of sauna and its health benefits is growing.



Sauna is gaining momentum in popular culture from the United States to Asia, with both public and private use of sauna increasing.

Through its leading brands, Harvia can educate and excite consumers and lead the sauna movement globally, also in digital channels.

Technology

Innovations merging sauna and technology provide new possibilities.



The sauna and the sauna experience are becoming increasingly digital, offering Harvia opportunities related to, for instance, in-sauna entertainment. IoT solutions for buildings and homes also create new possibilities for the energy efficiency of the sauna and the promotion of wellbeing.

Sustainability

Increasing demand offers an opportunity to innovate and commercialize responsible and safe sauna solutions.



Harvia has a leading role in the sauna market and strong technological expertise to respond to the increased customer expectations for environmental and social responsibility.

Harvia's ambition is to drive the sustainability agenda of the whole industry. The company is continuously improving the sustainability of sauna experiences with a safe and warm community of employees, customers and partners.

Market consolidation

The fragmented sauna market is consolidating as large players also from adjacent industries are entering the business.



Development pace of the industry is expected to increase, which offers new opportunities for Harvia. Taking an active consolidator role in the industry through M&A is a strategic focus area for the company.

Strategy updated to further accelerate growth

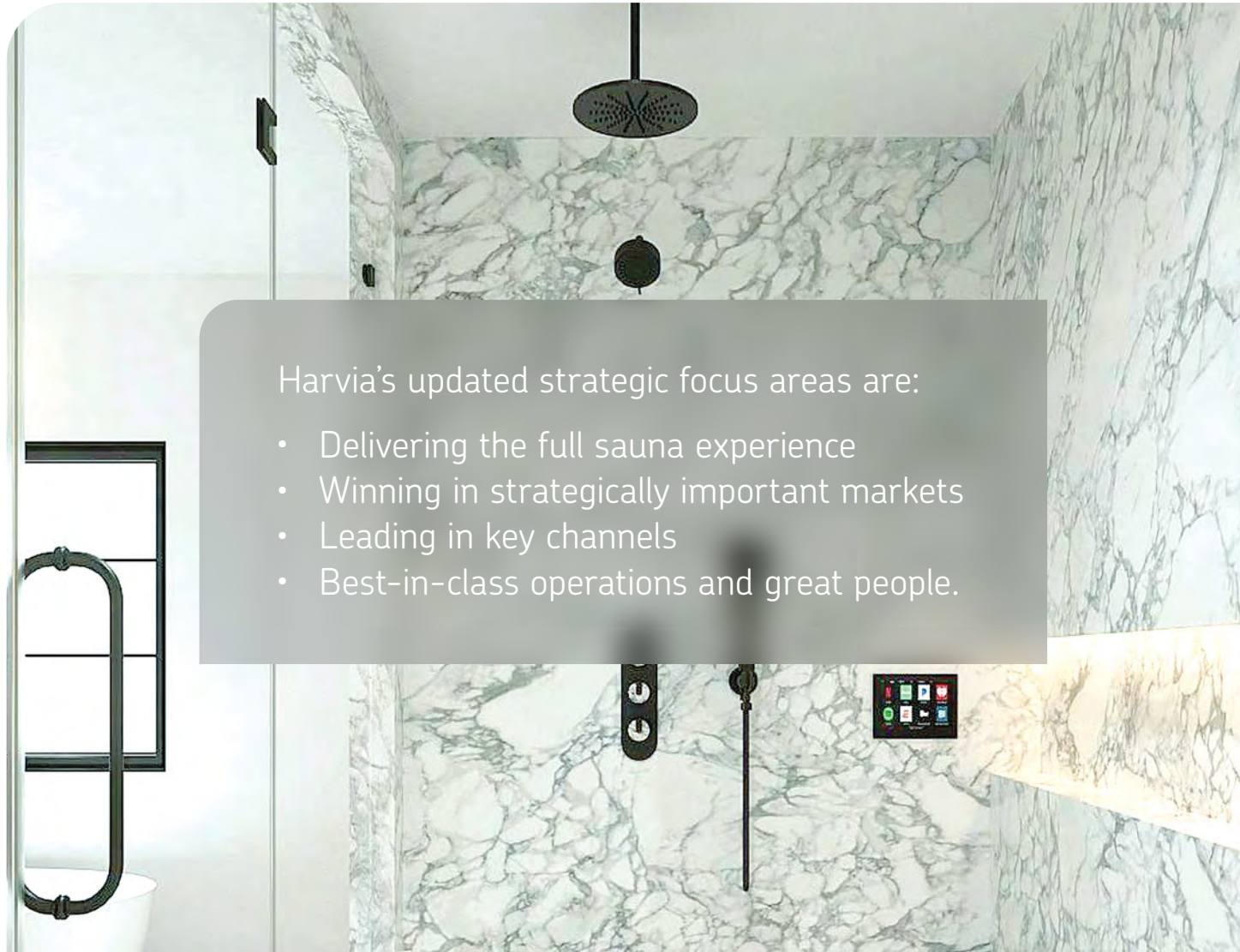
Since its initial public offering in 2018, Harvia has nearly tripled its size in revenue to EUR 175.2 million in 2024, while consistently delivering strong profitability.

In May 2024, Harvia updated its long-term [financial targets](#) and strategy to reflect the company's strategic role, which the company defines as "Shaping the global sauna market so that everyone has a reason to experience sauna". This means that Harvia wants to be an active market maker and create exciting innovations and more sustainable solutions for all markets, sauna cultures and sauna types.

To enhance strategy execution, Harvia also changed its organizational structure as of 1 January. The aim is to strengthen regional teams to improve customer orientation and cross-sell activities, helping to drive organic growth and supporting R&D. The new organization consists of four geographical sales regions and five Group functions. The group functions help to deliver synergies across the Group and further optimize ways of working. After a year, the benefits of the new structure have been realized especially in clearer sales responsibilities and processes, Group-level purchases as well as deepening collaboration and joint development projects across operational units and geographies.

Harvia's updated strategic focus areas are:

- Delivering the full sauna experience
- Winning in strategically important markets
- Leading in key channels
- Best-in-class operations and great people.



Executing strategic focus areas in 2024

Delivering the full sauna experience

by making sauna a broader experience, offering a complete portfolio of all sauna types, cold plunges, hot tubs, and other sauna related extensions, and constantly bringing new, exciting innovations to the market.

To support its growth ambition, Harvia focuses on increasing the sales of comprehensive systems and solutions. Harvia also aims to make steam and infrared saunas a more sizeable part of Harvia's business, both organically and through M&A.

In 2024, the revenue of steam product category more than doubled from EUR 4.6 million in 2023 to EUR 10.7 million in 2024, mainly driven by the acquisition of ThermaSol. Harvia's innovation pipeline also delivered new, exciting products to the market, such as the world's first solar-powered outdoor electric sauna, Kirami FinVision Tile. Read more about the ThermaSol acquisition on [page 12](#).

Winning in strategically important markets

by driving growth in markets outside Europe in North America and the APAC & MEA region. In Europe, the company focuses on further strengthening its position and capturing growth.

The company aims to maintain strong growth across price points, categories, and channels, supported by investments in expanding the operations at the Lewisburg factory, among others.

In 2024, Harvia's growth efforts focused on selected high-potential markets in North America and APAC & MEA, such as Japan and Australia. The success of Harvia's efforts was reflected in the strong revenue growth of these regions – 42.8% and 51.8%, respectively. Read more about Harvia's business in its key markets on [pages 15-16](#).

Leading in key channels

by further developing Harvia's channel strategy and the Group-level sales and customer service capabilities to drive synergies and cross-sell opportunities.

Harvia's markets have different sauna cultures and product mixes and therefore also different sales channels and networks.

Good progress was made in sharpening Harvia Group's channel strategy and fitting its portfolio to different channels in 2024. The organizational structure that was implemented at the start of 2024 has also streamlined sales processes through strengthened Group integration.

Best-in-class operations & great people

by continuously improving productivity to ensure profitability, by developing employee capabilities as well as deepening integration within Harvia Group to drive productivity and growth.

Efficient operations provide a significant competitive advantage for Harvia and form the basis for the success of its other strategic focus areas. Efficiency is sought by scaling up and automating operations while expanding capacity in the strongly growing regions, such as North America.

In 2024, several investments were made to improve productivity and support sales in multiple locations. Overall integration within Harvia Group progressed through, for example, common IT landscape, purchasing, and processes. The increased collaboration between production units and being part of a larger Group have also improved employee satisfaction. Read more about Harvia's operations in 2024 on [page 14](#).

Strategic priorities in 2025

Harvia's main priority continues to be to drive profitable growth, especially in North America and APAC & MEA, where the company sees a large potential for Harvia especially in markets such as Japan, China and Australia. In Europe, focus is on improving sales performance in the challenging market.

In addition to capitalizing on organic growth opportunities, Harvia wants to take an active consolidator role in the industry through M&A. In July, Harvia advanced this strategic objective by acquiring U.S. steam solutions manufacturer ThermaSol and will continue to seek opportunities for M&As, for instance, to grow in infrared and steam, build digital capabilities, and strengthen its position in key markets, especially outside Europe.

Investments will be made into increasing automation, improving efficiency, and optimizing the storage and logistics network. Harvia also invests in R&D to launch new products and solutions especially in the sauna category. In addition, a hybrid thermal power plant will be constructed at EOS's factory in Driedorf, Germany, supporting Harvia's objective to reduce the greenhouse gas emissions of its operations. The investments are expected to increase from the 2024 level, mainly due to the planned expansion of production and logistics capacity in the United States.

HARVIA HAS SET LONG-TERM FINANCIAL TARGETS RELATED TO GROWTH, PROFITABILITY, AND LEVERAGE

In May 2024, Harvia's long-term financial targets were adjusted to reflect the company's growth ambitions.

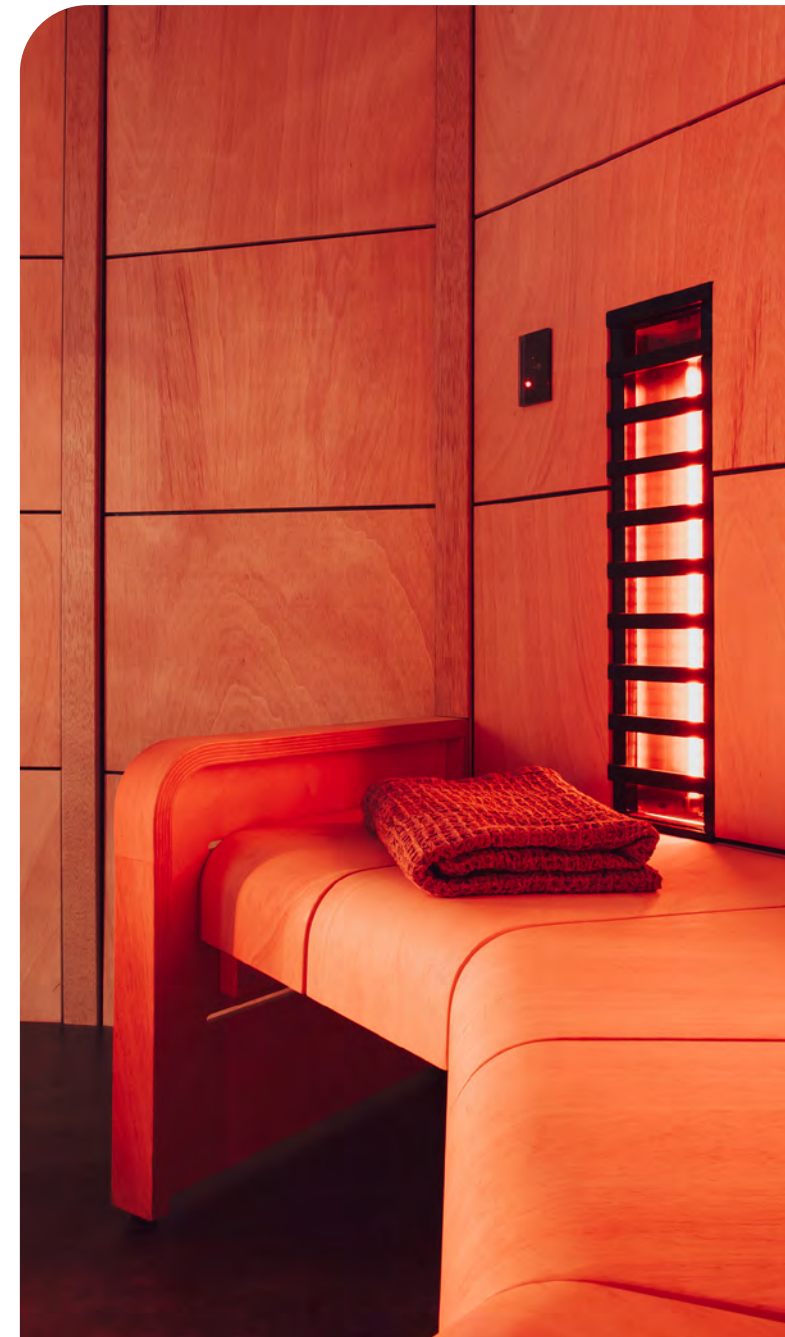
Harvia targets

- an average annual revenue growth of 10%
- an adjusted operating profit margin exceeding 20%
- a net debt/adjusted EBITDA below 2.5x.

Harvia does not publish short-term financial targets.

Harvia reached its long-term financial targets in 2024. The company's revenue increased by 16.4% from 2023, adjusted operating profit margin was once again strong at 21.2%, and net debt to adjusted EBITDA ratio was 1.3.

The revenue increase was driven especially by both organic and inorganic growth in North America. Revenue increased significantly in all product groups except spare parts and services. The ThermaSol acquisition supported the high growth of steam product sales. In the saunas and Scandinavian hot tubs product group, the growth in North America supported especially sauna room sales.



Full steam ahead in the U.S. market with ThermaSol acquisition

In July 2024, Harvia acquired ThermaSol, a leading U.S. manufacturer of high-end steam showers and steam rooms. The acquisition complements Harvia Group's sauna offering in the attractive steam segment, bolstering its leading position as a global sauna solutions provider.

Harvia Group has grown its presence and business in North America systematically in the past five years both organically and through M&A, increasing its sales from EUR 11.8 million in 2019 to EUR 62.0 million in 2024. Boosted by the ThermaSol acquisition, North America's share of Harvia's total revenue increased to 35.4% in 2024.

CREATING SYNERGIES

Established in 1958, ThermaSol is a steam specialist company with a reputation for premium products and innovation. A major player in the U.S. residential steam market, ThermaSol offers a range of products from steam generators and shower heads to digital control units and smart shower components.

The acquisition of ThermaSol added another strong brand to Harvia Group's portfolio, creating new revenue stream opportunities. It is also expected to create annual synergies of approximately EUR 1.7 million by the end of 2027, generated by sourcing and logistics, marketing, cross-sell, distribution, and common management within Harvia US companies.

Integrating ThermaSol into Harvia Group has started well, and there is a significant potential in the companies leveraging each other's strengths:

- **Expanding the steam offering:** Harvia's global reach and manufacturing capabilities will help bring ThermaSol's high-quality steam products to a wider audience and across different price points.
- **Stronger presence in the United States:** ThermaSol is located near Austin, Texas, which provides an excellent hub for Harvia Group's commercial operations in the United States and strengthens the connection with customers in the region, supported by ThermaSol's wide distribution network.
- **Purchases:** ThermaSol can utilize Harvia's global purchasing expertise, scale and networks to drive synergies.
- **Digital innovation:** ThermaSol's expertise in digital control units and smart technology will help to offer customers even more advanced and personalized wellness experiences.

The North American sauna market size was estimated to be USD 800 million in 2023, with steam solutions having approximately 20% market share. The U.S. steam market is forecast to grow by approximately 5% per year through 2028*.

The acquisition of ThermaSol gives Harvia essential market presence in the region and capabilities to grow and develop its steam business effectively also going forward. The revenue of steam products more than doubled from EUR 4.6 million in 2023 to EUR 10.7 million in 2024, in line with the company's strategic objective of making steam saunas a more sizeable part of its business.

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The acquisition of ThermaSol has further strengthened our position in North America and advanced our strategic goal of being an active industry consolidator. By combining the expertise and resources of Harvia and ThermaSol, we are able to offer our customers an even wider range of innovative and high-quality wellness and sauna solutions.”

- CEO Matias Järnefelt

BUSINESS OPERATIONS

Global reach with Finnish roots

NORTH AMERICA

Revenue EUR 62.0 million (+42.8%)

145 employees

Production facilities in West Virginia and Texas

NORTHERN EUROPE

Revenue EUR 43.8 million (-4.8%)

263 employees

Three production facilities and headquarters in Finland, one production facility in Estonia

CONTINENTAL EUROPE

Revenue EUR 52.7 million (+5.1%)

232 employees

Production facilities in Germany, Italy and Romania

APAC & MEA

Revenue EUR 16.7 million (+51.8%)

56 employees

One production facility in China



The revenue figures are for 2024 and the number of personnel for the year-end 2024.

Mixed operating environment across the sauna markets

The year 2024 in the sauna market was characterized by mixed development between regions. In North America and Asia-Pacific, the sauna market has developed favorably for the past several years. This development continued also in 2024. On the other hand, while inflation stabilized and supply chain disruptions decreased globally, the market conditions remained challenging in many key European countries. The slow economic growth and low consumer confidence in especially Finland but also, for example, in Germany, was reflected in the demand in the sauna market.

These differences were also visible in sales development and product mix between the regions during the year. However, Harvia was able to scale its operations and respond quickly to changing conditions. The strong growth in North America, for example, was supported

by supply chain and logistics planning as well as increasing inventories during the summer and autumn to prepare for the high-demand winter season.

Harvia continued to develop its sales and operations planning (S&OP) process in 2024 to enable more accurate sales and demand forecasts, used to optimize production and inventories. The new organizational structure that was adopted at the beginning of the year has increased collaboration and integration between Group companies in terms of sales, investments, purchases, and IT processes, resulting in improved efficiency and flexibility in operations.

Increased sales volumes, good sales mix, and the successful actions in supply chain management resulted in a strong adjusted operating profit margin of 21.2% in 2024, in line with Harvia’s long-term financial targets.

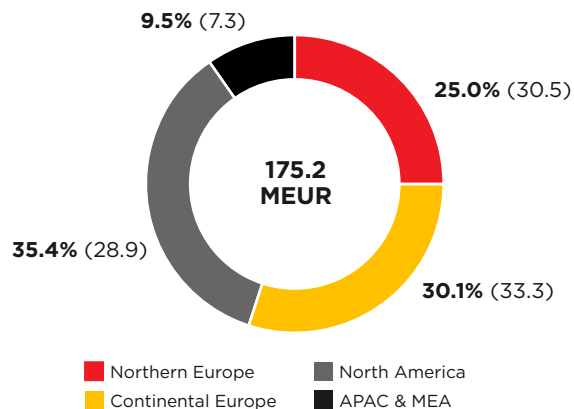
INVESTMENTS IN FUTURE GROWTH

Harvia continued to develop its operations in 2024 to maintain strong profitability and support growth. To secure strategic growth opportunities in the North American market, Harvia purchased 8.7 hectares of land around the production facility in Lewisburg, West Virginia, and the expansion of the facility is currently underway. Additionally, the company made several investments in its other production facilities during the year, including a layout change and ramp-up of an upgraded, more automated production line for woodburning heaters in the Muurame factory in Finland.

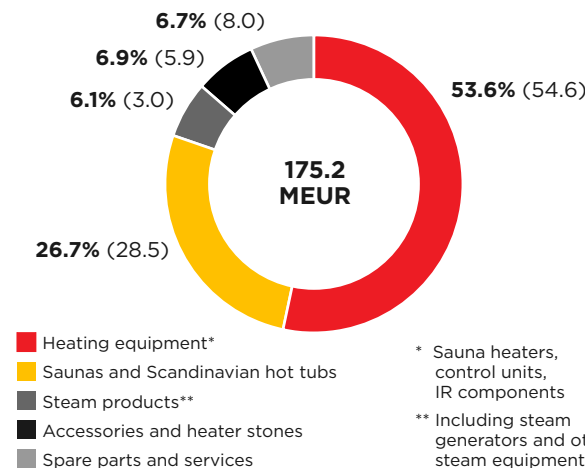
Harvia also continued to optimize its supply chain. Warehouse management was streamlined and centralized in Muurame, Sweden, and Austria, and development projects are planned to improve logistics planning and warehouse management further both in Europe as well as in growth markets in the United States and Asia.

In addition, assembly of certain electronics components was moved from a subcontractor to Harvia Group’s factory in Italy. Production of some sauna accessories was moved to the Group’s production facility in China, while the production of certain heaters will be moved from China to Muurame in 2025. Harvia will continue to focus on optimizing productivity and cost-efficiency in 2025 by reviewing and defining the role of each of its production facilities in the supply chain and the key competencies needed.

SHARE OF REVENUE BY SALES REGION



SHARE OF REVENUE BY PRODUCT GROUP



* Sauna heaters, control units, IR components

** Including steam generators and other steam equipment

Strong growth outside Europe

Harvia's four sales regions: Northern Europe, Continental Europe, North America, APAC & MEA

NORTHERN EUROPE

Traditional saunas make up almost the entire market in Northern Europe, the key region for Harvia's woodburning heaters. Harvia's home market, Finland has the highest number of saunas per capita in the world, over one sauna per two persons.

High interest rates, challenges in the construction sector and weak consumer confidence have kept the market environment challenging for long, especially in Finland. As a result, sales in Northern Europe fell by 4.8% in 2024 compared to the previous year. However, Harvia defended well its market share in the region, and active measures were taken to strengthen distribution especially in Sweden, where the sales developed significantly better.



CONTINENTAL EUROPE

While an established sauna market, Continental Europe has a larger professional and full solutions market and higher price points than Northern Europe. The region also has a sizeable infrared and steam sauna market.

The sauna market in Continental Europe has been challenging for more than two years, followed by the Russian invasion of Ukraine and the weak

economic development. In 2024, the market conditions gradually improved, even if the market has not yet fully recovered. The macroeconomic conditions in Germany have remained challenging, which continued to affect the market demand also in the sauna industry. However, Harvia succeeded in growing its sales in the region by 5.1% year-on-year, with EOS branded products that are aimed at the professional and more high-end segments driving the growth in the second half of the year.



NORTH AMERICA

According to Harvia's estimate, the size of the North American sauna market is approximately 800 million U.S. dollars. With an installed base of over 1 million saunas, the sauna penetration in North America is still low when compared to many mature sauna markets. Infrared saunas are the most popular sauna type in North America in terms of units sold, but also traditional saunas and steam saunas have a significant share of the market. The high-potential market continued solid growth in 2024, supported by increasing awareness of sauna and its health benefits.

In 2024, Harvia achieved good sales performance in North America in all product groups, but growth was particularly strong in sales of heaters and sauna components. The acquisition of ThermaSol in July increased especially steam product sales, delivering on Harvia's growth strategy. The company's largest sales region by revenue, North America's sales increased by 42.8% in 2024 compared to the previous year.



APAC & MEA

In Asia-Pacific, Middle East and Africa, the characteristics of the sauna market vary significantly between countries. While sauna penetration is still slow, there are several attractive, booming markets such as Japan and Australia, with their own sauna cultures. All sauna types are present in the region, and demand is focused especially on commercial sauna solutions.

Overall, the market enjoyed good growth in 2024 despite some economic challenges in certain key countries, such as in China. The visibility and popularity of Harvia's products increased in the region across the Group's brands. Harvia continued systematic work in APAC & MEA during the year to drive growth in the strategically most important regional markets and achieved significant results with 51.8% increase in revenue year-on-year.

Our sustainability work delivers business impact

Harvia's sustainability program for 2022–2025 defines the company's four sustainability commitments which promote both people and the planet. In 2024, Harvia prioritized the most relevant United Nation's Sustainability Development Goals (SDGs) associated with those commitments.

#1 FOR GOOD & HEALTHY LIVING

Harvia creates a positive impact on the health and longevity for people with its offering. We actively share science backed information on the health benefits of heat and promote the healthy regimen of using sauna 3 times per week for at least 15 minutes.

Promoting the health benefits of sauna creates demand and inspires people across the world to test and enjoy our products and solutions. Developing innovations that enhance health and well-being, along with energy-efficient technologies, drives sales and positions Harvia as a leader in innovation and sustainable solutions.

Harvia always evaluates and considers the health and safety impact of our products and technologies. We guide our customers and end-users in the right use of our products for optimal health benefit and experience.

In 2024, Harvia launched the "Let's sauna" booklet, a comprehensive introduction to sauna, offering valuable tips and insights into the sauna experience, the health benefits and the science behind sauna's positive effects. The booklet is available both online and as a printed booklet.

#2 FOR SUSTAINABLE EXPERIENCES & ENJOYMENT

Harvia actively guides the end-users in responsible consumption of its products. Investing in research and development of products aims at reducing emissions and optimizing energy consumption. The company uses sustainable and sustainably sourced materials.

Harvia's products are designed to be safe to use, serviceable and long-lasting. By offering safe and reliable products and solutions, we build trust and ensure long-term customer relationships. To enhance the overall customer experience, we provide guidance on product selection and on how to use the sauna in the most energy efficient way. In 2024, we created a series of educational videos on topics such as what to consider when choosing a sauna heater for your home sauna and how to use the MyHarvia mobile application.

Focusing on the sustainability characteristics of our products not only help reduce energy consumption and emissions but are an important factor from cost saving point of view. In 2024, Harvia launched the world's first solar-powered outdoor electric sauna. This Kirami FinVision Tile sauna is a great example of the work we are doing to create more energy-efficient and sustainable sauna solutions. The sauna can be heated

with a traditional electric heater, but it is also available as the market's first industrially manufactured option which includes a solar panel and a battery. Effective thermal insulation and triple-pane windows and doors make it possible to install a heater with less power significantly enhancing the sauna's energy efficiency.

#3 FOR MINIMIZING ENVIRONMENTAL FOOTPRINT

Harvia strives to minimize its environmental footprint to limit global warming and contribute to global efforts in safeguarding the environment.

Reaching our target requires systematic actions in several areas, such as energy use, logistics, and purchasing. We use renewable or emission-free energy in our production and offices where feasible. Optimizing logistics of both raw materials and products helps to reduce transportation emissions. Streamlining our processes from purchases to production has helped us to optimize material use, improving productivity and reducing waste, the effect being reduction in operational costs.

In 2024, we conducted several actions that have already reduced or will reduce the greenhouse gas emissions in the near future. Our online measurement

of energy consumption revealed that the energy system in the Kirami site in Finland was inefficient. It was replaced with heat pump technology, which is more energy efficient and allows us to phase out the use of light fuel oil.

In June 2024, we signed a letter of intent to replace the oil heating with a hybrid thermal plant at the EOS factory in Germany during 2025. This will reduce the Scope 1 GHG emissions of the entire Harvia Group by approximately 30%.

Harvia is continuously investing in changing lighting in its facilities to more energy efficient LED lighting, which is on average approximately 70–90% more energy-efficient than traditional lighting.

Harvia's Group-level Scope 1 CO₂ emissions in 2024 were 1,027 tCO₂ (947) and Scope 2 market-based emissions 1,401 tCO₂ (923). Total market-based emissions increased by 30% compared to 2023 due to increased production and the lack of availability in emission-free energy in Harvia's sites in the United States and China. More detailed emissions data can be found in Harvia's CSRD report.

Harvia's solar panels at the Muurame factory produced 125 MWh (124.3) of electric energy in 2024.

#4 FOR SAFE AND WARM COMMUNITY

Harvia believes that collaborating and supporting each other results in wellbeing and long relationships with everyone from our employees to customers and partners. We look after the safety, equality, and competence development of our people.

Developing workplace safety and investing in employee well-being improve employee confidence and productivity. Effective governance, business ethics, and sustainability practices build trust among different stakeholders and make Harvia an appealing company to invest in.

Harvia takes continuous measures to ensure the health and wellbeing of its personnel. The company strives for zero accidents. There were no serious occupational accidents during the reporting period and the lost time injury frequency decreased by 27.8% compared to 2023.

Harvia's employee satisfaction survey included the measuring of eNPS (employee Net Promoter Score) for the first time in 2024. The eNPS was 10, which gives the company a benchmark for the future. The overall response rate declined 10 percentage points to 56%. According to the survey, Harvia employees see the company's future brighter than in 2023. Areas of development included further improving communication, workload management, wellbeing, and recognition of employee performance, among others.

A customer satisfaction survey was conducted across the Group for the second time in 2024. The survey was sent to over 11,000 reseller customers. The response rate was 7%. Overall, Harvia Group's customer satisfaction is at a very high level, but there was variation between the brands and markets. The Group's average Net Promoter Score (NPS) was 71 (2023: 69).

5 PRIORITIZED SDGS IN HARVIA GROUP'S SUSTAINABILITY PROGRAM 2022-2025



GOAL 3: GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages



GOAL 8: DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all



GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns



GOAL 13: CLIMATE ACTION
Take urgent action to combat climate change and its impacts

Preparing the Sustainability Statement according to EU's Corporate Sustainability Reporting Directive was a major effort at Harvia throughout the year. The work included creating or reviewing policies and procedures, as well as promoting smooth data collection processes. Sustainability has always been an important part of Harvia's business and the basis for the company's good financial performance. Preparing of the Sustainability Statement revealed that Harvia has been doing the right things when it comes to sustainability, which supports the company's ambition to drive the sustainability agenda of the whole industry.

Harvia as an investment

Harvia has a strong position in the stable and growing international sauna and spa market. The global wellness trend is one of the key business drivers.

#1 Growing global market

- Market potential is significant: the global sauna and spa market is approximately 3.5 billion euros and highly fragmented.
- The historical average growth has been 5% per year. Due to increasing awareness of sauna and its health benefits the growth is forecasted to be annually over 5% for the next five years.
- The sauna and spa market has been traditionally resilient: this has been true especially for the more mature sauna markets, as the share of replacement demand in the traditional sauna market is high.

#2 Leading global player in the sauna market

- Harvia's share of the global sauna and spa market is about 5% and over 20% in sauna heaters and components (management estimate).
- Harvia is the leading player in its main markets: the key markets include North America (35.4% of revenue in 2024), Continental Europe (30.1%) and Northern Europe (25.0%).
- Harvia will continue to drive profitable growth especially outside Europe in attractive and large markets, for example, in North America and Asia-Pacific, e.g. in Japan, China and Australia.
- Harvia is also taking an active consolidator role in the industry through acquisitions, including steam and infrared saunas.
- The capacity and global reach of Harvia's operations and scale advantages e.g. in production and sourcing create a clear competitive edge to Harvia, in addition to the organization's extensive experience in the sauna and spa business and in the B2B and consumer products market.

#3 Strong brands, comprehensive product offering and future innovations

- Harvia's global master brands are Harvia and EOS, backed with independent regional and tactical brands Almost Heaven Saunas, Kirami and ThermaSol. Harvia is one of the most often recognized international sauna brand in the markets.
- Awareness and position of Harvia Group's brands is strong in the company's main markets.
- Harvia has a cutting-edge product offering for professionals and consumers alike – comprising all sauna types and different price ranges to cater for the full sauna experience.
- Future growth is supported by a wide array of exciting and sustainable innovations with winning design, best user experience and new digital solutions to complement the sauna experience. Focus is on solution sales to accelerate Harvia's growth.

#4 Efficient business model

- Harvia has a very capital efficient business model due to typically low investment needs as well as efficient and flexible production processes.
- Harvia demonstrates robust production and operational efficiency, close cooperation between sourcing, production, product development and sales, and modern production facilities.
- Key elements in efficient operations include advanced sales & operations planning, global sourcing strategy, automation of the manufacturing processes, as well as agile transportation network.
- Sustainability across the supply chain is one of the focus areas.

#5 Long-standing customer relationships and diverse distribution channels

- The large and diverse customer base consists of sauna specialist stores, retail stores, wholesalers, sauna integrators and sauna builders, DIY chains as well as sauna construction companies.
- Products are sold globally mainly via the distributor network as well as directly to end users through Harvia’s webstores, like Almost Heaven Saunas’ almostheaven.com and Kirami’s webstore.
- Harvia expands the distributor network continuously in order to gain a more diverse customer base in the current markets as well as expanding geographically.

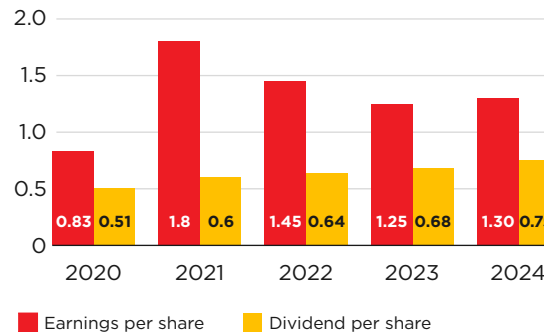
#6 Strong profitability and cash flow

- The stability of the business, typically strong cash conversion and low investment needs together with the company’s performance create a solid foundation for profitable growth and the ability to distribute dividends.
- In 2024, the adjusted operating margin reached 21.2%. Operating free cash flow was EUR 35.0 million.

DIVIDEND POLICY

- Harvia’s dividend policy is to pay a regularly increasing dividend with a bi-annual payout.
- The Board of Directors’ dividend proposal for the financial year 2024 is EUR 0.75 per share in total. Earnings per share in 2024 were EUR 1.30.

EARNINGS PER SHARE AND DIVIDEND PER SHARE, EUR



* Dividend per share for 2024 is the dividend proposal of Harvia’s Board of Directors to the 2025 Annual General Meeting.

INVESTOR INFORMATION

Harvia’s shares are listed on the official list of Nasdaq Helsinki in the Mid Cap segment. Harvia has one class of shares, and the trading code is HARVIA.

HARVIA’S INVESTOR CALENDAR 2025

- Annual General Meeting: 8 April
- January–March 2025 interim report: 7 May
- January–June 2025 half-year financial review: 7 August
- January–September 2025 interim report: 6 November

Please find additional information on Harvia’s website at www.harviagroup.com/investor-relations/

A photograph of a wooden hot tub and a wooden sauna with a glass door, situated on a wooden deck in a wooded area. A red diagonal bar is overlaid on the text.

GOVERNANCE AND REMUNERATION

CORPORATE GOVERNANCE STATEMENT 2024

INTRODUCTION

Harvia Plc's ("Harvia" or "the company") corporate governance complies with the Finnish Limited Liability Companies Act and Securities Markets Act, regulations concerning listed companies, the company's Articles of Association, and the rules and regulations of Nasdaq Helsinki Ltd. The company also adheres to the Finnish Corporate Governance Code.

In its governance in 2024, Harvia complied with the Corporate Governance Code 2020 with no departures. This report has been prepared in accordance with the Corporate Governance Code effective from 1 January 2025 ("Corporate Governance Code 2025") set by the Securities Market Association and available at www.cgfinland.fi.

The Corporate Governance Statement is issued separately from the company's Report by the Board of Directors, and it is published together with Harvia's Report of the Board of Directors, Financial Statements and Remuneration Report for 2024 on the company website at www.harviagroup.com.

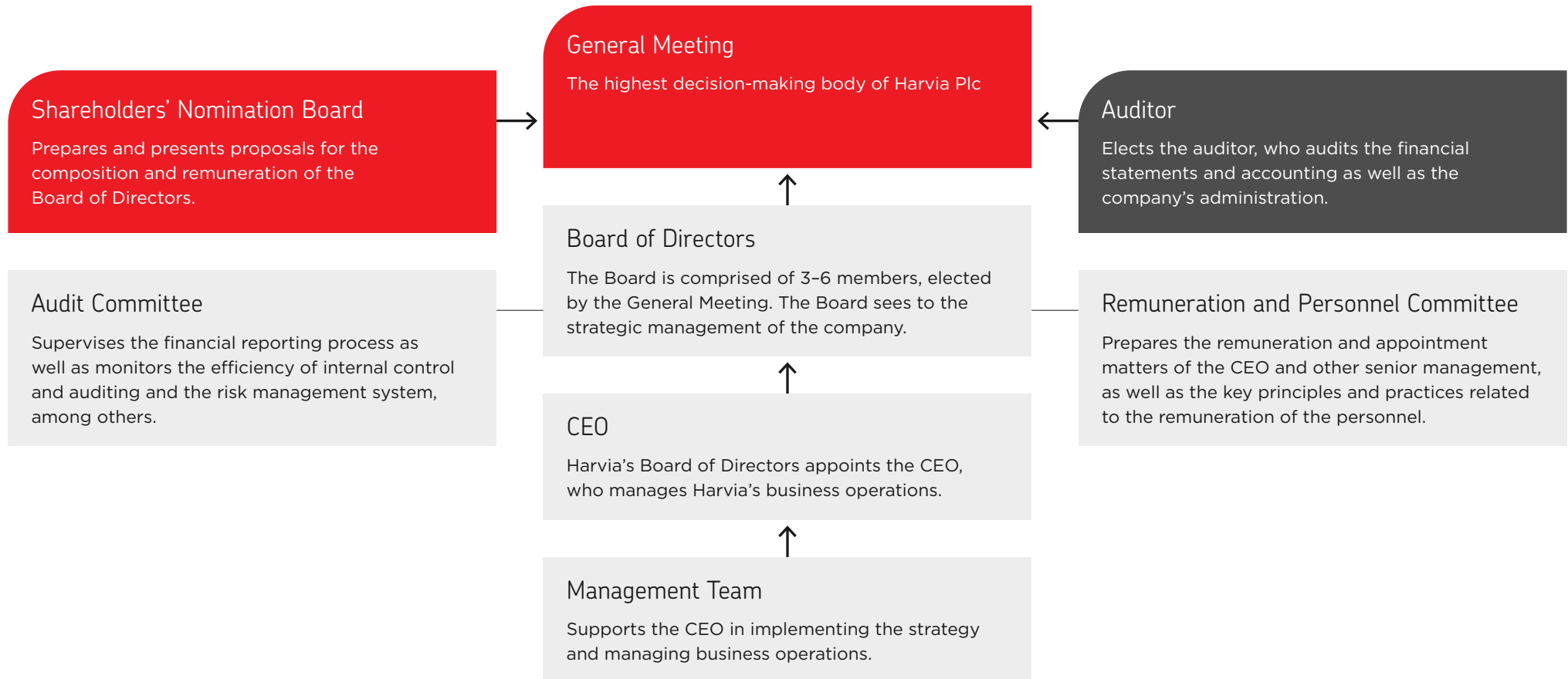
The Audit Committee of Harvia's Board of Directors has reviewed the Corporate Governance Statement and it has been approved by the Board. The company's auditor has reviewed that the statement has been issued and that the included description of the principles of internal control and risk management systems related to the financial reporting process is consistent with the financial statements.



HARVIA'S GOVERNANCE MODEL

Harvia's governing bodies comprise the Annual General Meeting, the Board of Directors, and the CEO. The General Meeting of shareholders is the highest decision-making body of the company. The Board of Directors and the CEO are responsible for

the management of Harvia. The Board has an Audit Committee and a Personnel and Remuneration Committee, which assist the Board. The Management Team assists the CEO in managing the company and the group.



ANNUAL GENERAL MEETING

The General Meeting of shareholders is the highest decision-making body of Harvia that decides on matters stipulated by the Finnish Limited Liability Companies Act and the company's Articles of Association. In the General Meeting, all shareholders of the company are entitled to raise questions and propose resolutions regarding issues on the agenda. Harvia has one share series, and every share entitles to one vote in the General Meeting.

The Annual General Meeting is held annually on a date set by the Board of Directors within six months of the end of the financial period. An Extraordinary General Meeting can be convened to resolve on a specific issue if the Board of Directors deems it necessary or it is otherwise required by law. Harvia's General Meeting is held in Muurame, where the company has a registered office, or in Helsinki, and is convened by the Board of Directors.

The Annual General Meeting's agenda includes:

- presenting the financial statements, which include the consolidated financial statements and the Report by the Board of Directors;
- presenting the Auditor's Report;
- deciding on the adoption of the financial statements and use of profit shown in the balance sheet;
- deciding on the discharging of the members of the Board of Directors and the CEO from liability;
- deciding on the remuneration of the members of the Board of Directors and the auditor;
- deciding on the number of members of the Board of Directors;

- electing the members of the Board of Directors;
- electing the auditor; and
- handling other possible matters included in the notice of the General Meeting.

The notice of the General Meeting is published on the company's website or by a newspaper announcement which is published in at least one national daily newspaper designated by the Board of Directors. The notice shall be delivered to shareholders no earlier than three months and no later than three weeks before the meeting, and in any case at least nine days before the record date.

To be entitled to participate in the General Meeting, a shareholder needs to be registered in the company's shareholder register at least eight (8) business days prior to the General Meeting (record date of the General Meeting). To be entitled to exercise their right to speak, vote and ask questions in the General Meeting, a shareholder must have registered their participation in the meeting in the manner stated in the meeting notice and no later than the date specified in the meeting notice which cannot be earlier than ten (10) days before the General Meeting. Holders of nominee-registered shares may also attend the General Meeting by temporary registration in the company's shareholder register. A shareholder may attend the General Meeting either in person, or via a representative authorized by the shareholder.

2024 ANNUAL GENERAL MEETING

Harvia's Annual General Meeting was held on 26 April 2024 in Helsinki. 210 shareholders were represented in the meeting via either advance voting, in person attendance or a legal or authorized representative.

At the start of the meeting, the participants represented 9,285,487 shares and votes, which amounted to approximately 49.68% of all shares and votes.

The shareholders and their representatives could participate in the Annual General Meeting and use their shareholder rights by both voting in advance and by submitting counterproposals and asking questions in advance, as well as by attending the Annual General Meeting event in person. In addition, they could follow the Annual General Meeting 2024 online via a webcast. Further information and the documents related to the General Meeting are available on Harvia's website.

BOARD OF DIRECTORS

According to Harvia's Articles of Association, the company's Board of Directors consists of three to six members. The members are elected in the Annual General Meeting for a term which expires at the end of the Annual General Meeting following their election. The Board of Directors elects a Chairperson from among its members for its term.

The majority of the Board members shall be independent of the company, with at least two of these members also being independent of the significant shareholders of the company. The Board of Directors assesses its members' independence of the company and its significant shareholders annually and as needed, in accordance with the criteria set in the Corporate Governance Code. In the selection of members, attention shall be paid to members' mutually complementary experience and competence in the company's field of business and development stage.

DUTIES OF THE BOARD OF DIRECTORS

The duties and activities of the Board of Directors are defined by the Finnish Limited Liability Companies Act, the Corporate Governance Code, other applicable legislation, Harvia's Articles of Association and the Rules of Procedure of the Board of Directors.

The key duties and operating principles of the Board of Directors are defined in the Rules of Procedure of the Board of Directors. The Board has general authority to decide on all matters related to the administration of the company and other issues that, according to the law or the Articles of Association, do not fall under the jurisdiction of the General Meeting or the CEO.

The Board of Directors:

- convenes the Annual and Extraordinary General Meetings in addition to preparing and submitting proposals to the General Meeting,
- defines the company's profit-sharing policy and submits a proposal concerning profit sharing to the General Meeting,
- decides on charitable donations within the framework provided by the Finnish Limited Liability Companies Act,
- defines the operating principles of the company's risk control system and internal controls,
- discusses and adopts the annual report and financial statements as well as the interim reports,
- decides on the establishment or disbandment of committees and confirms their charters,
- defines the diversity policy of the company's Board of Directors,
- monitors and assesses the financial reporting system,

- monitors and assesses internal control and inspection and efficiency of risk control systems,
- monitors and assesses the independence of the auditor and, in particular, non-audit services provided by the auditor,
- monitors the company's auditor, and prepares the election of the company's auditor.

In addition to the duties set out in legislation and in the Articles of Association, the Board of Directors handles matters that are significant to and which have a long-term impact on the extent and quality of the operations of the company and Harvia Group:

- the long-term vision and strategic goals and guidelines as well as the primary financial goals,
- the group structure and the budgets of group companies as part of the group's budget,
- strategically or financially important investments of the group, significant expansions or reductions in business operations,
- corporate transactions and business asset deals, and
- significant contingent liabilities and other matters with a material impact on the group's business operations.

Also, the Board of Directors appoints and dismisses the CEO and the members of the management team for their duties, and decides on their terms of employment and incentive systems.

The Board of Directors convenes usually 7–8 times a year in accordance with an agreed schedule. The Board will hold extraordinary meetings as necessary, which may also be held as teleconference meetings. Matters may also be decided upon without

convening an actual meeting by drawing up a final protocol that is signed by all board members. The Board of Directors is quorate when more than half of its members are present. The Board of Directors strives to make unanimous decisions. If necessary, the matter is resolved by a vote. Decisions are made by a simple majority of votes. In the event of a tie, the Chairperson's vote is decisive.

THE BOARD OF DIRECTORS IN 2024

Between 1 January and 26 April 2024, the members of the Board of Directors were Olli Liitola (Chairperson), Heiner Olbrich (Deputy Chair), Anders Holmén, Hille Korhonen, Markus Lengauer, and Catharina Stackelberg-Hammarén.

The Annual General Meeting on 26 April 2024 elected the members of the Board of Directors for a term that expires at the end of the next Annual General Meeting. Anders Holmén, Hille Korhonen, Markus Lengauer, Olli Liitola, Heiner Olbrich, and Catharina Stackelberg-Hammarén were re-elected as members.

The organizational meeting of the Board of Directors elected from among its members Heiner Olbrich as its Chairperson. Catharina Stackelberg-Hammarén was elected as Deputy Chair of the Board.

In 2024, the Board of Directors focused in its work on strategy, long-term financial targets, acquisition and integration processes, follow-up of the new organizational structure and its functions. The Board of Directors held a total of 16 meetings in 2024. Information about the attendance of the members of the Board of Directors in meetings is shown in the table on [page 26](#).

MEETING ATTENDANCE OF BOARD AND COMMITTEE MEMBERS IN 2024

Member	Board of Directors		Audit Committee		Personnel and Remuneration Committee	
	Attendance	Attendance, %	Attendance	Attendance, %	Attendance	Attendance, %
Heiner Olbrich, Chair of the Board	16/16	100%	3/3	100%	2/2	100%
Catharina Stackelberg-Hammarén, Deputy Chair of the Board	13/16	81%			2/2	100%
Anders Holmén	16/16	100%	8/8	100%		
Hille Korhonen	16/16	100%	8/8	100%		
Markus Lengauer	15/16	94%	5/5	100%		
Olli Liitola	16/16	100%			2/2	100%



The Board of Directors

on 31 December 2024



- Chair of the Board 2024-, Deputy Chair of the Board 2023-2024, member 2022-
- Chair of the Personnel and Remuneration Committee 2024-
- PhD (Economics), Master of Science (Business Administration)
- Born 1965, German citizen, male
- Main occupation: Board professional
- Harvia shares on 31 December 2024: 2,000



- Deputy Chair of the Board 2024-, member 2023-
- Member the Personnel and Remuneration Committee 2024-
- Master of Science (Business Administration)
- Born 1970, Finnish citizen, female
- Main occupation: Senior Vice President of Knowit Insight Oy 2022-
- Harvia shares on 31 December 2024: 1,485



- Member of the Board 2021-
- Member of the Audit Committee 2022-
- Master of Science, Economics
- Born 1977, Finnish citizen, male
- Main occupation: Managing Director of Fyrklöver-Invest Oy Ab 2013-
- Harvia shares on 31 December 2024: 1,685



- Member of the Board 2021-
- Chair of the Board's Audit Committee 2023-, member 2021-
- Licentiate of Technology
- Born 1961, Finnish citizen, female
- Main occupation: Board professional
- Harvia shares on 31 December 2024: 5,106



- Member of the Board 2023-
- Member the Audit Committee 2024-
- PhD (Mechanical Engineering), Master of Science (Engineering)
- Born 1965, Austrian citizen, male
- Main occupation: Board professional
- Harvia shares on 31 December 2024: -



- Member of the Board 2014-, Chair of the Board 2014-2024
- Member the Personnel and Remuneration Committee 2024-
- Master of Science in Engineering
- Born 1957, Finnish citizen, male
- Main occupation: Board professional
- Harvia shares on 31 December 2024: 46,873

INDEPENDENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the Corporate Governance Code, the majority of the Board members shall be independent of the company. At least two of these members shall also be independent of the major shareholders of the company.

The Board of Directors assesses its members' independence of the company and its major shareholders annually. The members of the Board of Directors, elected in the Annual General Meeting on 26 April 2024, were deemed to be independent of the company and its major shareholders based on an assessment of independence in accordance with the Corporate Governance Code.

SELF-ASSESSMENT

According to its Charter, the Board of Directors assesses its activities and ways of working annually as an internal self-assessment. The Board defines the criteria used in the assessment in the annual action plan.

The Board of Directors conducted the self-assessment in October 2024. The self-assessment emphasized the quality of the board work in general, active following of the investments made and multiple areas of company activities. The Chair of the Board reviewed and discussed the results of the self-assessment together with the Board members in the Board meeting in November 2024. The Board emphasized the importance of market and competition information as well as the interaction between the Board and the Management Team. The results of the Board's self-assessment were also presented to the Shareholders' Nomination Board in November 2024 before they met with the Board members individually.



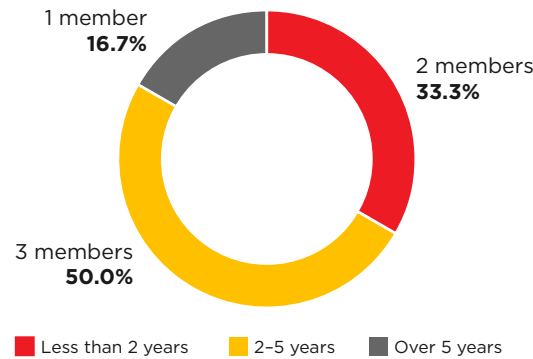
DIVERSITY OF THE BOARD

Harvia’s Shareholders’ Nomination Board takes into account the principles concerning the Board of Directors’ diversity in its work and its proposals. A person elected as a member of Harvia’s Board of Directors must have qualifications required for the task as well as adequate availability for carrying out the duties of a Board member. In the selection of members, attention shall be paid to members’ mutually complementary experience and competence in the company’s field of business and development stage.

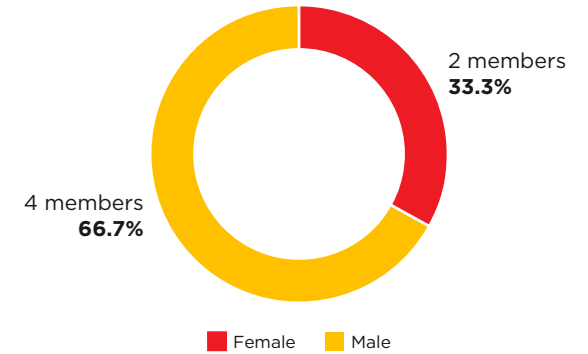
Varied professional and educational backgrounds support the diversity of the Board. The goal is to promote gender equality in the selection of Board members. Additionally, the objective is to ensure that the composition of the Board as a whole enables efficient management of the Board’s responsibilities and supports the development of Harvia’s business.

Harvia has evaluated that the diversity principles in relation to the composition of the Board of Directors were applied in the financial year 2024. In 2024, both genders and several nationalities were represented in the company’s Board of Directors. There are two females (33.3%) and four males (66.7%) among the six Board members elected by the Annual General Meeting in April 2024 based on the proposal of the Shareholders’ Nomination Board to the Annual General Meeting 2024. The members include four Finnish citizens as well as one German and one Austrian citizen. Also, the experience and competence profiles of the Board members are evaluated to be versatile and mutually complementary.

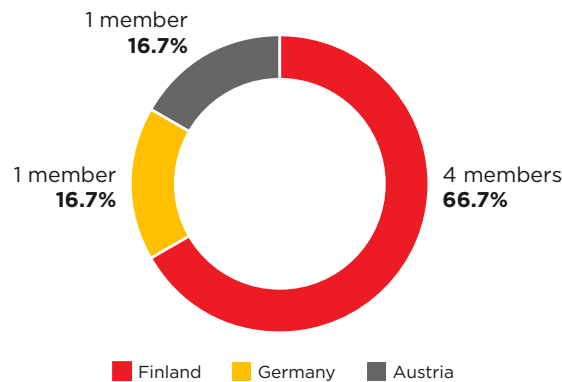
LENGTH OF MEMBERSHIP IN HARVIA PLC’S BOARD OF DIRECTORS



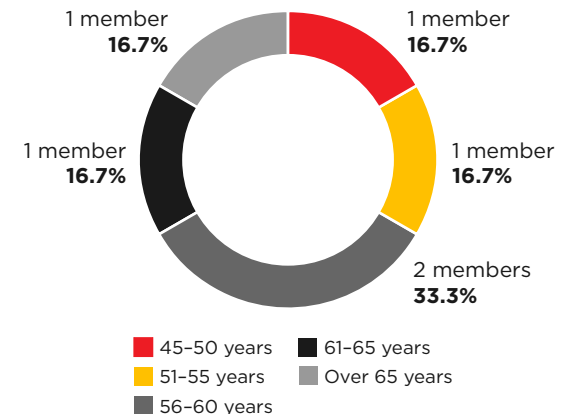
BOARD OF DIRECTORS’ DISTRIBUTION BY GENDER



BOARD OF DIRECTORS’ NATIONALITY



BOARD OF DIRECTORS’ AGE DISTRIBUTION



The graphs relate to the Board of Directors elected by the Annual General Meeting 2024.

AUDIT COMMITTEE

To enhance the efficiency of its work, the Board of Directors has set up an Audit Committee. The Committee has no independent decision-making authority; it functions as a preparatory body, and the matters it addresses are brought to the Board of Directors for decision.

The Board of Directors annually selects from among its members the chair and the members of the Committee and adopts its written Rules of Procedure. The Audit Committee consists of a minimum of three Board members. The majority of the members of the Committee must be independent of the company, with at least one member also being independent of the significant shareholders of the company. The members must have the qualifications required for the fulfillment of the Audit Committee's role, and at least one member must have expertise especially in accounting, bookkeeping or auditing.

According to its Charter, the Audit Committee focuses particularly on processing and preparing matters that relate to the company's financial reporting and internal control. The Audit Committee's duties consist particularly of

- monitoring the company's financial reporting process as well as the financial status and financing situation of the Group;
- handling the budget, forecast and assumptions related thereto;
- handling financial statements and board reports, interim financial reports and profit releases before they are submitted to the Board of Directors for approval;
- monitoring the efficiency of the company's internal control and internal audits as well as risk management systems;

- preparing a financial risk management policy and monitoring significant financial and other risks;
- monitoring the statutory audits;
- assessing the independence of the auditor and the quality and scope of the audit services;
- monitoring and assessment of other non-audit services;
- monitoring and assessing the company's corporate responsibility and sustainability reporting processes as well as monitoring and evaluation of sustainability report verification;
- preparing the election procedure for sustainability auditor;
- monitoring the procedures followed in sustainability reporting and the effectiveness of internal control and risk management
- monitoring, assessing and handling general corporate responsibility matters;
- monitoring and assessing the company's tax planning, reporting and matters.

AUDIT COMMITTEE IN 2024

Between 1 January and 26 April 2024, the members of the Audit Committee were Hille Korhonen (Chairperson), Anders Holmén and Heiner Olbrich. The Board of Directors, appointed in the Annual General Meeting on 26 April 2024, elected from its members Hille Korhonen (Chairperson), Anders Holmén and Markus Lengauer as members of the Audit Committee.

In 2024, the Audit Committee convened 8 times. The members' attendance in the meetings is described in the table on [page 26](#). In addition to the normal annual plan-related duties of the Audit Committee, the Committee focused in its work in 2024 especially on proposing and onboarding the new auditors for the Harvia Group, preparing and assessing the new

CSRD sustainability reporting as well as the group-wide integration and IT matters to support the new organizational model.

PERSONNEL AND REMUNERATION COMMITTEE

The Board of Directors resolved in April 2024 to establish a Personnel and Remuneration Committee to assist the Board by preparing the remuneration and appointment matters of the CEO and other senior management of the Group, as well as the key principles and practices related to the remuneration of the company's personnel.

The Board selects from among its members the members and the chair of the Committee at the organizational meeting. The Committee shall consist of at least three Board members. The majority of the members of the Personnel and Remuneration Committee shall be independent of the company.

According to its Charter, the duties of the Personnel and Remuneration Committee include

- preparing the governing bodies' remuneration policy and report;
- presenting the governing bodies' remuneration policy and report to the General Meeting and answering questions about them;
- preparing the appointment of the CEO and other members of the Management Team and succession planning;
- preparing and reviewing the remuneration of the CEO and other members of the Management Team;
- planning the remuneration of other personnel and organizational development; and
- monitoring and developing the company's organization and personnel matters.

In addition, the Personnel and Remuneration Committee may have other tasks that are appropriate to fulfill the role of the Committee. When carrying out its duties, the Committee shall act independently in relation to the operative management of the company.

PERSONNEL AND REMUNERATION COMMITTEE IN 2024

The Board of Directors, appointed in the Annual General Meeting on 26 April 2024, elected from its members Heiner Olbrich (Chair), Olli Liitola and Catharina Stackelberg-Hammarén as members of the Personnel and Remuneration Committee.

In 2024, the Personnel and Remuneration Committee convened 2 times. The members' attendance in the meetings is described in the table on [page 26](#). In 2024, the Personnel and Remuneration Committee focused in its work on preparing the overall compensation system of Harvia's CEO and Management Team including the long-term incentive system and short-term incentives for 2025. The Personnel and Remuneration Committee also participated actively in the search and selection of the new Head of the Continental Europe business region.

SHAREHOLDERS' NOMINATION BOARD

Harvia has a Shareholders' Nomination Board which prepares proposals concerning the election and remuneration of the Board Members, as well as the remuneration of the members of the various Board committees, to be submitted to Annual General Meetings and to any Extraordinary General Meetings where necessary.

The Shareholders' Nomination Board consists of representatives appointed by the company's four largest shareholders.

Each year, those four shareholders that hold the largest share of the votes conferred by all shares in the company on the first working day of the September preceding the applicable Annual General Meeting pursuant to the shareholders' register maintained by Euroclear Finland Ltd will be entitled to appoint members that represent the shareholders.

The Chairperson of the Board of Directors will convene the first meeting of each term of office of the Shareholders' Nomination Board, and the representative of the largest shareholder will be appointed as the Chair of the Shareholders' Nomination Board, unless the Nomination Board specifically decides otherwise.

The Shareholders' Nomination Board submits its proposal to the company's Board of Directors on an annual basis and at the latest on 31 January preceding the applicable Annual General Meeting.

On 9 September 2024, Harvia announced that the following persons were appointed as members of the Shareholders' Nomination Board:

- Juho Lipsanen (Onvest Oy, Member of the Board), male
- Minna Laaksonen (WestStar Oy, CFO), female
- Janne Kujala (Head of Nordic Equities, Evli Fund Management Company Ltd), male
- Josefin Degerholm (CEO, Nordea Funds Oy), female.

Heiner Olbrich, Chairperson of the company's Board of Directors, serves as an expert in the Nomination Board but is not a member.

Members of the Shareholders' Nomination Board during the term between 18 September 2023 and 9 September 2024 included Juho Lipsanen (Onvest Oy), Jarno Käyhkö (WestStar Oy), Timo Harvia (Tiipeti Oy), and

Annika Ekman (Mutual Pension Insurance Company Ilmarinen). Olli Liitola served as an expert in the Nomination Board but was not a member.

The Shareholders' Nomination Board held a total of 5 meetings in 2024 and also one in January 2025. All members attended each meeting. On 17 January 2025, the Nomination Board submitted its proposals for the number of members of the Board of Directors, for the composition and for the remuneration of the Board of Directors to Harvia Plc's Annual General Meeting, which is planned to be held on 8 April 2025. The Nomination Board was unanimous in its proposals.

CEO

The CEO is responsible for the day-to-day management of the company. The CEO is responsible for ensuring that the targets, plans, guidelines and goals set by the Board are carried out within Harvia. According to the Finnish Limited Liability Companies Act, the CEO ensures that the accounting practices of the company comply with the law and that the company's financial administration is arranged in a reliable manner.

The Board of Directors appoints and, if necessary, dismisses the CEO and decides on the CEO's terms of service, defined in a written service contract approved by the Board. The CEO is appointed for the post until further notice. The Board of Directors evaluates the CEO's work and performance in achieving the assigned targets. The CEO cannot be elected as Chairperson of the Board of Directors.

Matias Järnefelt acted as the CEO of Harvia in 2024. The CEO's financial benefits are introduced in the 2024 remuneration report.

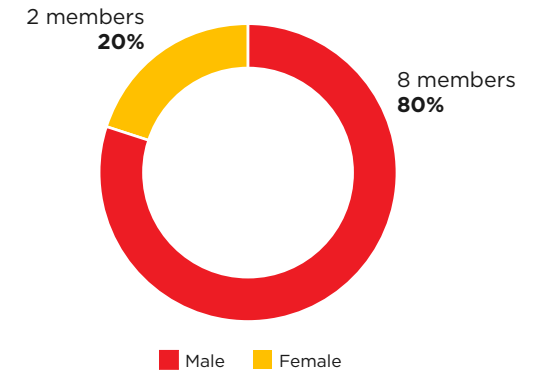
THE GROUP'S MANAGEMENT TEAM

The Management Team supports the CEO and is responsible for the development and operational management of the Group and its business, in accordance with the goals set by the Board of Directors and the CEO. The Management Team also defines the operating principles and procedures in line with the direction given by the Board of Directors. The Management Team convenes monthly, and when needed, and focuses on strategic questions concerning the Group and its businesses. Questions

and reports concerning financial development, governance, corporate responsibility and development projects are regularly on the agenda. The CEO acts as the chairperson of the Group's Management Team.

In 2024, the Management Team focused on working effectively on the new organizational model, strategic planning, executing the ThermaSol acquisition and starting the related integration program, in addition to the ordinary business management and development duties.

GENDER DISTRIBUTION OF MEMBERS OF THE MANAGEMENT TEAM



Members of the Management Team

on 31 December 2024

MATIAS
JÄRNEFELT



- CEO
- M.Sc. Industrial Engineering and Management
- Born 1974, Finnish citizen, male
- CEO and member of the Management Team 2023–
- Harvia shares on 31 December 2024: –

DAVID
AHONEN



- Head of Region Asia-Pacific-MEA
- Vocational qualification in business and administration
- Born 1966, Finnish citizen, male
- Head of Region Asia-Pacific-MEA 2024–, member of the Management Team 2014–
- Harvia shares on 31 December 2024: 99,472

JENNIFER
THAYER



- Head of Region North America
- Business Administration studies in Purdue Global University, Indiana
- Born 1973, U.S. citizen, female
- Head of Region North America and member of the Management Team 2024–, President of Harvia US Inc. 2024–
- Harvia shares on 31 December 2024: –

ARI
VESTERINEN



- Chief Financial Officer
- Master of Science degree in Engineering and a Master of Business Administration (MBA) degree
- Born 1963, Finnish citizen, male
- Chief Financial Officer and member of the Management Team 2014–
- Harvia shares on 31 December 2024: 149,664

ANSSI
PELKONEN



- Head of Region Northern Europe
- Vocational qualification in business and administration
- Born 1964, Finnish citizen, male
- Head of Region Northern Europe 2024–, member of the Management Team 2014–
- Harvia shares on 31 December 2024: 62,140

MARKUS
WÖRMANSEDER



- Head of Products and Solutions, Head of Region Continental Europe
- Technical chemistry studies
- Born 1974, Austrian citizen, male
- Head of Products and Solutions and Head of Region Continental Europe 2024–, member of the Management Team 2017–
- Harvia shares on 31 December 2024: 106,000

Members of the Management Team

on 31 December 2024

PÄIVI
JUOLAHTI



- Head of Marketing and Brands
- Master of Science in Economics and Business Administration
- Born 1976, Finnish citizen, female
- Head of Marketing and Brands 2024–, member of the Management Team 2020–
- Harvia shares on 31 December 2024: 2,479

PHILIPP
KRAUTH



- Managing Director of EOS, Head of EOS Brands and Products
- Diplom Betriebswirt (BA), Business, Management, International Marketing
- Born 1967, German citizen, male
- Managing Director of EOS, Head of EOS Brands and Products and member of the Management Team 2024–
- Harvia shares on 31 December 2024: –

On 19 December 2024, Harvia appointed Ivan Sabato as Head of Region, Continental Europe and a member of Harvia Group's Management Team. Sabato will start in his position at the latest on 1 April 2025. Markus Wörmanseder, who currently serves as Head of Products and Solutions and interim Head of Region, Continental Europe, will continue in his position of Head of Products and Solutions when Sabato assumes his role.

The resumes of the members of the Management Team are available on the company website at www.harviagroup.com.

TIMO
HARVIA



- Head of Innovation and Technology
- Master of Science degree in Engineering
- Born 1978, Finnish citizen, male
- Head of Innovation and Technology 2024–, member of the Management Team 2014–
- Harvia shares on 31 December 2024: 102,385

MIKA
SUOJA



- Head of Operations
- Master of Engineering degree
- Born 1975, Finnish citizen, male
- Head of Operations 2024–, member of the Management Team 2016–
- Harvia shares on 31 December 2024: 36,527



PRINCIPLES OF INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO THE FINANCIAL REPORTING PROCESS

Harvia compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the Finnish Securities Markets Act, the Finnish Accounting Act and the guidelines and statements of the Finnish Accounting Board, while also complying with the rules and regulations of the Financial Supervisory Authority and the rules of the Nordic Main Market Rulebook for Issuers of Shares.

The principles, instructions, practices and areas of responsibility in internal auditing and risk management relating to the company's financial reporting process are aimed at ensuring that the company's financial reporting is reliable and that the financial statements have been prepared in accordance with applicable laws, regulations and the company's operating principles. Harvia's financial reporting is supervised on two levels, in a separate company and at the Group level. On both levels, control measures and analyses are carried out to ensure the validity of financial reporting.

The Audit Committee of the Board of Directors is responsible for overseeing the financial reporting process.

OVERVIEW OF RISK MANAGEMENT

Risk management is part of Harvia's business management. Harvia Group's risk management is guided by the Risk Management Policy. The purpose of risk management is to promote the identification

of risks and their preventive management, to ensure an adequate level of risk management, and to include risk management as part of the company's business.

Harvia has a group-level risk assessment and reporting model. The Group carries out a comprehensive risk assessment annually in which the most relevant risks to the realization of the Group's strategy or other objectives are evaluated based on their likelihood and impact on business operations. As a part of the risk assessment process, the Group identifies possible scenarios as a way to identify relevant risks and developments that could lead to the realization of relevant risks. The annual risk assessment also evaluates the company's risk management measures. If needed, the risk assessment is updated, for example, for the risk assessment included in interim reports.

The Group's Management Team is responsible for the risk assessment and the execution of risk management. The results of the risk assessment are reported to the Audit Committee of the Board of Directors as well as to the Group's Board of Directors. The Audit Committee of the Board of Directors supervises the efficiency and expediency of the Group's risk management. Throughout the year, the Committee addresses specific risk management topics, supported by the results of the annual risk management process and identified relevant risks.

During 2024, Harvia updated its annual risk assessment process and strengthened its role as part of the work of the Group's Management Team. In addition, the risk assessment process was connected more firmly to the company's annual management and reporting processes.

INTERNAL CONTROL AND AUDIT

The objective of internal control at Harvia is to ensure the realization of the company's strategic, financial, operational and procedural targets, and to ensure compliance with applicable laws and regulations in the Group. The Group's internal control is an essential part of business management and of ensuring that the set objectives are reached. The Group aims to organize internal control efficiently so that any deviations from targets can be detected as early as possible or that they can be prevented.

Harvia's tools of internal control include internal policies, guidelines and instructions, together with manual controls as well as controls built into systems. In addition, internal control is implemented in the form of various monitoring reports and meetings.

The Board of Directors of Harvia is responsible for organizing the internal control, and the Audit Committee oversees the efficiency of internal control. The Group Management Team and the CEO of each Group company are responsible for the Group having functioning control procedures in use.

Harvia Group does not have its own internal audit function. The Board of Directors will annually assess the need for internal audit procedures and, if needed, may use internal company resources or external service providers for internal audit measures.

RELATED PARTY TRANSACTIONS

Harvia's Board of Directors has defined the principles for monitoring and evaluating related party transactions. The Group maintains a related party list intended to identify transactions that involve a person considered a related party to Harvia. Harvia's related parties include the Board of Directors and the Management Team and their closely associated persons as well as the companies under the control of the managers. Harvia's Board of Directors processes any significant related party transactions.

The company's Board of Directors decides on significant transactions carried out with Harvia's management and its related parties. The Board of Directors also decides on possible related party transactions that do not fall within the company's regular business or are not carried out with regular market terms.

In 2024, the company had no related party transactions that were significant to the company and deviated from its regular business or were carried out on other than normal market terms.

INSIDER MANAGEMENT

Harvia complies with the Market Abuse Regulation ((EU) No. 596/2014, "MAR"), including its amendments, and regulations issued under it, instructions issued by the authorities, as well as the insider guidelines of Nasdaq Helsinki Ltd. In addition, the company has supplemented Nasdaq Helsinki Ltd's insider guidelines with its own insider guidelines. The company maintains a list of

employees and service providers who have access to insider information. The company's insider list comprises one or more project-based insider lists. The company has estimated that it does not have insiders who would require a separate supplement to the insider list.

The company has appointed a person in charge of insider issues, who is responsible for maintaining insider lists, handling trading restrictions and the management of the obligation to notify and disclose transactions, internal communications related to insider issues, training on insider issues and the supervision of insider issues.

Harvia has internal procedures for publishing insider information, possible delayed disclosure of insider information and maintaining project-specific insider lists.

Harvia observes the trading ban on managers (closed window) specified in MAR article 19(11). In addition, the company has separately defined specific individuals who participate in preparing financial reports, or who have access to information related to such reports, as being restricted by a trading ban of similar length and content (closed window). The closed window begins 30 days prior to the publication of a financial statements bulletin, half-year report or interim report.

Harvia uses a whistleblowing channel that enables all stakeholders to report possible misconduct through Harvia Group's website. No suspected violations of the rules and regulations concerning the financial markets were reported through the reporting channel in 2024.

MANAGEMENT TRANSACTIONS

Harvia has determined that managers whose transactions shall be notified include members and deputy members of the Board of Directors, the CEO, and other members of the Management Team. These persons and their closely associated persons are required to notify the company and the Financial Supervisory Authority of every transaction conducted on their own account relating to the shares, debt instruments, derivatives or other financial instruments of Harvia. Harvia discloses the information via a stock exchange release without delay, at the latest within three business days following the execution of the transaction.

Managers may not conduct any transactions on their own account or on the account of a third party, directly or indirectly, relating to Harvia's shares, debt instruments, derivatives or other financial instruments during a closed period of thirty (30) calendar days before the publication of a financial statements bulletin, half-year report or an interim report.

AUDIT

The statutory audit covers the company's accounting, financial statements and administration for the financial year.

In addition to the annual auditor's report, the auditors regularly report their auditing observations to the Board of Directors and participate in the meetings of the Board's Audit Committee.

The company shall have an auditor which is an auditing organization approved by the Finnish Patent and

Registration Office. The term of the auditor expires at the conclusion of the Annual General Meeting following their election.

The company's Audit Committee prepares a proposal on the auditor and the remuneration of the auditor to the General Meeting, which elects the auditor and decides on their remuneration.

AUDIT IN 2024

Deloitte Oy acted as the company's auditor and as a certification authority for the company's sustainability reporting as of 26 April 2024 with Johan Groop, Authorized Public Accountant, acting as the principal responsible auditor.

The audit fees paid to Deloitte Oy in 2024 totaled EUR 166 thousand. Of the fees paid, EUR 160 thousand were fees for a statutory audit and EUR 6 thousand were comprised of other fees. The other fees were related to audit opinions on mergers.

PricewaterhouseCoopers Oy acted as the company's auditor until 26 April 2024 with Markku Katajisto, Authorized Public Accountant, acting as the principal responsible auditor. The audit fees paid to PricewaterhouseCoopers Oy in 2024 totaled EUR 100 thousand. Of the fees paid, EUR 90 thousand were fees for a statutory audit and EUR 10 thousand were comprised of other fees. The other fees were related to auditor opinions and certificates.

Audit fees paid to other firms totaled EUR 143 thousand. Of the fees paid, EUR 69 thousand were fees for a statutory audit and EUR 75 thousand were comprised of other fees. The other fees were related to restructuring in Germany as well as auditing related to a change in the accounting firm and bookkeeping system used in Hong Kong.



REMUNERATION REPORT 2024

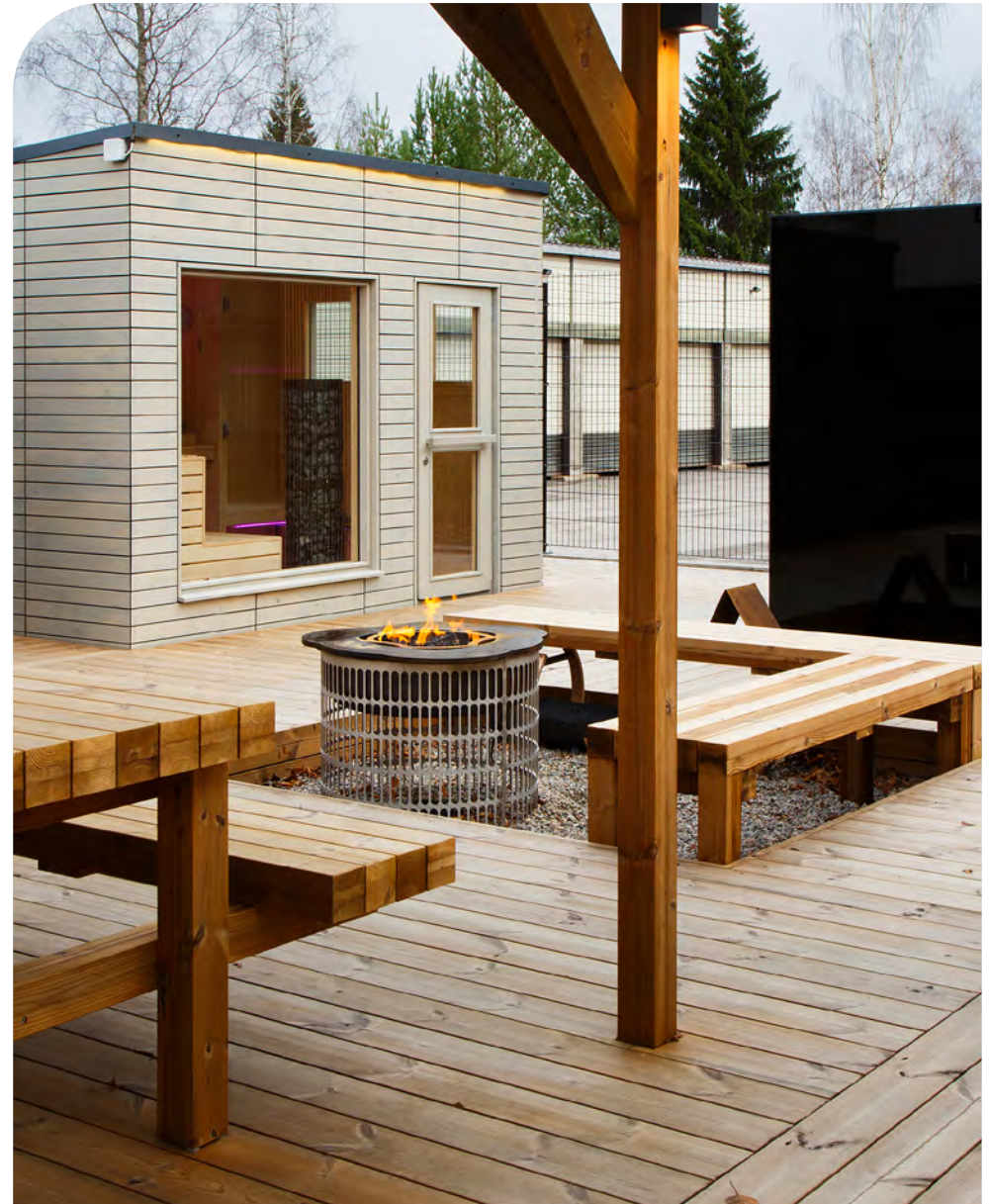
DEAR HARVIA SHAREHOLDER,

I am very pleased to introduce Harvia Plc's Remuneration Report for the financial year 2024. The Remuneration Report describes the remuneration of the company's Board of Directors and the CEO in 2024 and how the company's remuneration policy was implemented. The Remuneration Report 2024 has been drafted in accordance with the Finnish Corporate Governance Code 2025 of the Securities Market Association and other regulations. It will be presented at Harvia's Annual General Meeting 2025 for an advisory vote.

HARVIA'S KEY PRINCIPLES OF REMUNERATION

Harvia's remuneration policy outlines the key principles of remuneration of the Board of Directors and the CEO. A revised remuneration policy for the company's governing bodies was presented to the Annual General Meeting 2024 for an advisory vote. The Annual General Meeting resolved to reject the Remuneration Policy 2024. We appreciate the feedback of our shareholders on the policy, and an updated remuneration policy will be presented to the Annual General Meeting 2025.

The long-standing key principles of remuneration at Harvia are transparency, market orientation and rewarding good performance. The aim is to encourage and reward the Board of Directors and the CEO for operating in accordance with the company's strategy and policies, and to motivate them to strive for the success of the company. Ultimately, the objective is to promote long-term profitable growth and competitiveness. Harvia also aims to be an attractive employer to employees regardless of their job description.



In addition to the monthly salary, variable remuneration plays a significant role in the remuneration of the CEO to reward good performance. Variable remuneration consists of the annual short-term performance bonus and the long-term share-based incentive program. The Board of Directors sets the performance criteria and related targets for the short- and long-term incentive programs.

HARVIA'S PERFORMANCE IN 2024

In 2024, the business environment for Harvia saw very different trends across the globe: The European and particularly Northern European sauna and spa markets remained somewhat depressed by economic uncertainty, increased interest rates, inflation and low consumer confidence. On the other hand, North America as well as APAC & MEA saw a lively development driven by the increasing interest in sauna and spa solutions both for residential and commercial use.

Harvia's business development in 2024 can be characterized by robust growth on a high profitability level and a strong cash flow. The business developed particularly well in North America as well as APAC & MEA. Continental Europe also returned to growth while the business in Northern Europe remained weak.

I would like to take this opportunity to thank Harvia's management and the entire staff for their continued dedication and commitment in 2024 as the key enabler for a successful year and the prerequisite for profitable growth also in the future.

REMUNERATION IN 2024

In the financial year 2024, the remuneration of Harvia's Board of Directors and the CEO was compliant

with the company's Remuneration Policy 2024 without exception.

Regarding the Board of Directors' remuneration, the Annual General Meeting 2024 resolved that approximately 40% of the monthly compensation of the members of the Board of Directors is paid in shares. In exceptional cases, the compensation can be paid fully in cash. This was eventually the case for the remuneration to be paid for the term 2024–2025 as there were regulatory restrictions on the payment in shares due to the insider project related to the ThermaSol acquisition.

In accordance with the Remuneration Policy 2024, the remuneration of CEO Matias Järnefelt in 2024 included a fixed monthly salary, a short-term performance bonus as well as participation in the long-term share-based incentive scheme. The criteria of the performance periods relate to the total shareholder return, revenue growth and the reduction of CO₂ emissions. Rewards on revenue growth are subject to achieving minimum EBIT margins in the performance periods.

DEVELOPING REMUNERATION

Going forward, Harvia will continue to follow the key remuneration principles of transparency, market orientation and rewarding good performance. We also want to reflect market expectations and remain competitive in our remuneration policy.

The Shareholders' Nomination Board will annually make proposals to the Annual General Meeting for the remuneration of the company's Board of Directors. The Board of Directors' approach to the remuneration of the company's management considers both the

competitiveness of remuneration and the promotion of Harvia's long-term preconditions for success and targets by means of remuneration. The remuneration criteria include elements concerning Harvia's growth, profitability and sustainability. I consider these factors to remain essential also in the future, along with the possibility of flexible remuneration structures in line with market practices.

I appreciate all remarks regarding Harvia's remuneration and the Remuneration Report 2024.

Heiner Olbrich

Chair of the Board of Directors
Chair of the Board's Personnel and
Remuneration Committee
Harvia Plc



HARVIA PLC'S REMUNERATION REPORT 2024

INTRODUCTION

Harvia Plc's ("Harvia" or "the company") remuneration report for the year 2024 ("Remuneration Report") describes the remuneration of the company's Board of Directors and CEO in 2024 and how the company's remuneration policy has been implemented. Harvia adheres to the Finnish Corporate Governance Code of the Securities Market Association.

The Remuneration Report has been drafted in accordance with the Finnish Corporate Governance Code 2025, effective from 1 January 2025, and other regulation.

The Personnel and Remuneration Committee of Harvia's Board of Directors has reviewed the Remuneration Report and it has been approved by the Board. The company's auditor has reviewed that the report has been issued. The Remuneration Report will be presented at Harvia's Annual General Meeting 2025 for an advisory vote.

Harvia has a remuneration policy that outlines the principles for the remuneration of the company's governing bodies, the Board of Directors and the CEO. In 2024, Harvia applied the remuneration policy adopted in 2020 ("Remuneration Policy 2020") until the Annual General Meeting on 26 April 2024. A revised remuneration policy for the company's governing bodies was presented to the Annual General Meeting 2024 for an advisory vote ("Remuneration Policy 2024"), as the remuneration policy must be presented to the general meeting every four years or when material changes to it are made. In the Remuneration Policy 2024, the theoretical maximum

of the CEO's short-term performance bonus was increased from 50% (as in Remuneration Policy 2020) to 100% of the fixed annual salary. The Annual General Meeting resolved to reject the Remuneration Policy 2024. After the Annual General Meeting 2024, Harvia has adhered to the Remuneration Policy 2024 as the Board's proposal regarding the Remuneration Policy 2024 is binding on the company. A new revised remuneration policy will be presented to the Annual General Meeting 2025 for an advisory vote.

The Remuneration Report 2023 received a 'for' vote from a majority of shareholders in the Annual General Meeting 2024.

In 2024, the remuneration of the Board of Directors and CEO complied with the remuneration policy effective at the time when the decisions on such remuneration were made and there were no deviations. The remuneration of the Board of Directors or CEO were not clawed back or adjusted in the financial year 2024.

KEY REMUNERATION PRINCIPLES

Harvia's remuneration principles apply to the entire personnel of the company. The key principles of remuneration at Harvia are that remuneration is transparent, market-oriented, and that it rewards good performance.

According to the Remuneration Policy 2024, the objective of the company's remuneration policy is to encourage and reward management for work that is in line with the company's current strategy and for compliance with the set rules, and to motivate them to strive for the success of the company.

Well-functioning and competitive remuneration is an essential tool for the company to engage competent directors and executives. This, in turn, contributes to the financial success of the company and the implementation of good corporate governance. In addition to supporting the company's long-term profitability and competitiveness, remuneration supports the company's strategy.

Remuneration, in accordance with the Remuneration Policy 2024, consists of the following components:

- **Basic salary and employee benefits**, which are in compliance with the local market practices, laws, and regulations.
- **Short-term incentive scheme**, which is meant to guide the performance of an individual and the organization as well as to support rapid implementation of strategic projects.
- **Long-term remuneration scheme**, which is meant for committing key persons to the company. Long-term incentives aim at committing management to the company and harmonizing their interests with those of shareholders.

The CEO's basic salary shall be aligned with the interest of the company and its shareholders. The basic salary shall be competitive in the labor market comparison in order to be able to attract and retain talented professionals in the company's service.

Harvia's Board of Directors monitors and supervises the functionality of the remuneration policy, the competitiveness of remuneration as well as how the remuneration policy promotes the company's and Group's long-term objectives. If necessary, the Board of Directors proposes amendments to the remuneration policy to the general meeting.

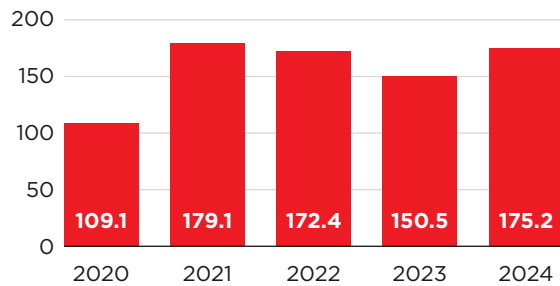
DEVELOPMENT OF THE REMUNERATION

Harvia is the leading player in the global sauna market. Since its initial public offering in 2018, Harvia has over doubled its size in revenue while delivering consistently strong profitability. To further accelerate growth, the company updated its strategic focus areas in May 2024 and defined its strategic role in the industry as “shaping the global sauna market so that everyone has a reason to experience sauna”. The updated strategic focus areas are: Delivering the full sauna experience; Winning in strategically important markets; Leading in key channels; and Best-in-class operations & great people.

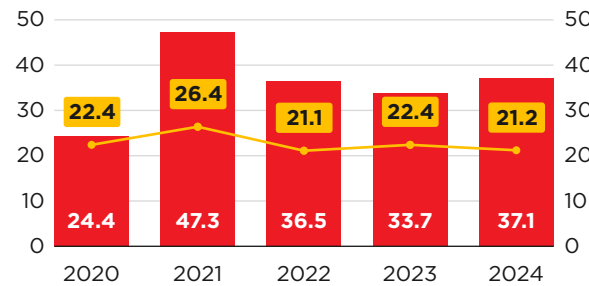
During the five-year period reviewed in the Remuneration Report, the Group’s revenue has increased from EUR 109.1 million in 2020 to EUR 175.2 million in 2024. During the same period, the adjusted operating profit increased from EUR 24.4 million to EUR 37.1 million. Adjusted operating profit margin was 21.2 percent in 2024.

Dividends paid by Harvia have increased by 78.9% in 2020–2024. The total shareholder return (TSR) of Harvia’s share was 236.9% in 2020–2024. Dividends paid in 2020–2024 and the price development of Harvia’s share have been taken into account in the TSR.

REVENUE, EUR MILLION



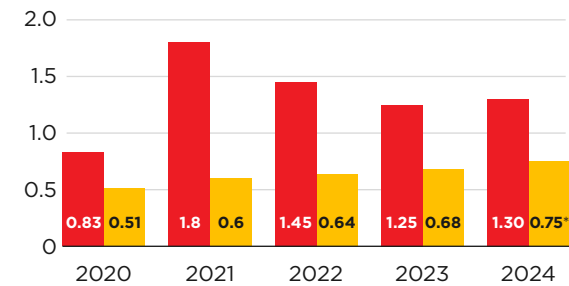
ADJUSTED OPERATING PROFIT AND ADJUSTED OPERATING PROFIT MARGIN



■ Adjusted operating profit*, EUR million
 ■ Adjusted operating profit margin

* Adjusted by items affecting comparability

EARNINGS PER SHARE AND DIVIDEND PER SHARE, EUR



■ Earnings per share ■ Dividend per share

* Dividend per share for 2024 is the dividend proposal of Harvia’s Board of Directors to the 2025 Annual General Meeting.

The Annual General Meeting of Harvia resolved in 2022 and 2024 to increase the remuneration of the Chairperson and the other Board members. To align the interests of the Board of Directors with those of the shareholders, approximately 40% of the remuneration of the members of the Board can be paid in Harvia's shares since the Annual General Meeting 2023.

The development of the CEO's base salary during the five-year review period reflects the profitable growth of Harvia during the period. Especially in 2021 and 2022 the remuneration reflects the remuneration paid to Harvia's former CEO Tapio Pajuharju based on the variable incentives schemes.

AVERAGE REMUNERATION IN 2020–2024

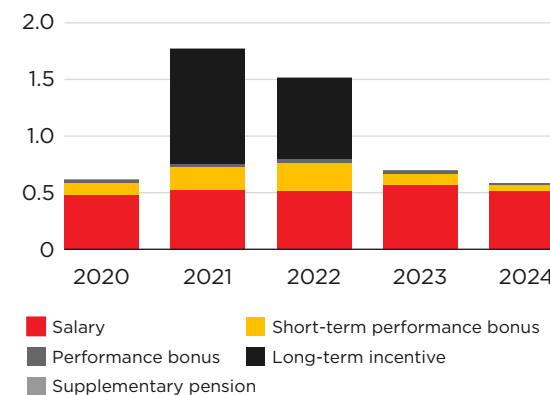
(EUR 1,000)	2020	2021	2022	2023	2024
Chairperson of the Board	58	53	53	61	58
Change from the previous year, %	0%	-8%	1%	14%	-5%
Other Board members on average	20	28	30	32	37
Change from the previous year, %	1%	36%	10%	6%	16%
CEO's fixed monthly salary including taxable benefits ¹⁾	479	524	510	570	511
Change from the previous year, %	-2%	9%	-3%	12%	-10%
CEO's remuneration in total ^{1), 2)}	611	1,774	1,523	695	581
Change from the previous year, %	19%	190%	-14%	-54%	-16%
The salary of a Harvia employee on average ³⁾	33	33	33	39	45
Change from the previous year, %	9%	-2%	0%	18%	16%

1) Based on remuneration paid to Tapio Pajuharju by 31 May 2023 and remuneration paid to Matias Järnefelt as of 1 June 2023.

2) Rewards based on Harvia's long-term incentive program were paid to Pajuharju in shares in May 2021 for the 2018–2020 performance period with the gross value of EUR 1,012,291.35, and in May 2022 for the 2019–2021 performance period with the gross value of EUR 721,052.57.

3) The average salary of a Harvia employee is calculated by taking the total salaries and bonuses paid to employees other than the members of the Board of Directors, as defined in the financial statements for the financial year, and dividing the amount by the number of employees.

REMUNERATION PAID TO THE CEO, MEUR



Based on remuneration paid to Tapio Pajuharju until 31 May 2023 and remuneration paid to Matias Järnefelt as of 1 June 2023.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2024

In accordance with the Finnish Limited Liability Companies Act, the shareholders decide on the remuneration of the members of the Board of Directors in the Annual General Meeting. Decisions concerning the remuneration of the Board of Directors are made in the Annual General Meeting for a single term of office at a time based on a proposal of the Shareholders' Nomination Board, established following the decision of the Annual General Meeting 2020.

The Annual General Meeting 2024 resolved on the following monthly remuneration for the members of the Board of Directors for their term ending after the Annual General Meeting 2025:

- Chairperson of the Board EUR 5,000 (EUR 4,500 resolved by the Annual General Meeting 2023)
- Deputy Chair of the Board EUR 3,500 (provided that a Deputy Chair is elected; previously no separate remuneration for a Deputy Chair)
- Other members of the Board EUR 3,000 (EUR 2,500 resolved by the Annual General Meeting 2023).

According to the Annual General Meeting's resolution in 2024, the monthly remuneration of the Board members is paid in company shares and in cash in such a way that 40% of the total monthly remuneration will be paid in company shares purchased at a price determined in public trading on Nasdaq Helsinki Ltd and 60% will be paid in cash. All the remuneration shares will be acquired within two weeks from the day following the publication of the company's interim report for the period 1 January-31 March 2024. The company acquires the shares to the account of the members of the Board

of Directors and will pay any trading costs and transfer tax related to the purchase of the shares.

According to the Annual General Meeting's resolution, the remuneration will be paid in cash in case the remuneration cannot be paid in the company's shares due to legal or other regulatory restrictions or due to other reasons related to the company or a member of the Board of Directors or if the payment of the remuneration in shares would prove to be unreasonably difficult in practice. A member of the Board of Directors may not assign the shares received as remuneration for Board membership in 2024 until two years have passed since the date of the receipt of the shares.

For the term 2024-2025, the remuneration for the Board of Directors is paid fully in cash due to the insider project related to the ThermaSol acquisition at the time of the potential remuneration payment, and thus there were regulatory restrictions on the payment in shares.

In addition, the Shareholders' Nomination Board had proposed as a new element that the remuneration of the Board committee members be paid as meeting fees instead of a monthly fee as follows: EUR 1,000 per meeting for the Chair of a committee and EUR 600 per meeting for the other members. The remuneration for the Board committee work is paid in cash.

The Annual General Meeting also resolved that the members of the Board of Directors living outside Finland will be paid EUR 900 per meeting if the member travels to Finland only for that meeting. The fee will be paid in cash. If a member participates in a meeting via phone or other electronic device, no separate meeting fee will be paid. No fee is paid for decisions made without convening a meeting.

The travel expenses of the members of the Board of Directors are compensated in accordance with the company's travel policy.

Remuneration for the company's Board members does not include pension payments, and Board members are not paid other fringe benefits. The members of the Board of Directors are not included in Harvia's short- or long-term incentive programs. The Board members have not received any rewards from other Harvia Group companies.

REMUNERATION PAID TO THE BOARD OF DIRECTORS IN 2024

Due to the decision-making cycle, Board remuneration from 1 January 2024 until the Annual General Meeting on 26 April 2024 was based on the decision made by the Annual General Meeting 2023. From the Annual General Meeting 2024 until 31 December 2024, the remuneration was based on the Annual General Meeting 2024 decision. In all, the members of the Board of Directors were paid EUR 245,586 (254,221) in 2024.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2024

Member	Total monthly remuneration, paid in cash, EUR ¹⁾	Remuneration for Audit Committee membership, EUR ²⁾	Remuneration for Personnel and Remuneration Committee membership, EUR	Meeting fees, EUR ³⁾	Remuneration in financial year 2024 in total, EUR
Heiner Olbrich Chair of the Board from 26 April 2024	50,357	2,893	2,000	2,700	57,950
Catharina Stackelberg-Hammarén Deputy Chair of the Board from 26 April 2024	34,286		1,200		35,486
Anders Holmén	30,214	5,893			36,107
Hille Korhonen	30,214	10,014			40,229
Markus Lengauer	34,071	3,000		2,700	39,771
Olli Liitola Chair of the Board until 26 April 2024	34,843		1,200		36,043
Total	213,986	21,800	4,400	5,400	245,586

1) For the term 2024–2025, the remuneration for the Board of Directors is paid fully in cash due to the insider project related to the ThermaSol acquisition at the time of the potential remuneration payment.

2) The Audit Committee fees include monthly remuneration for the Audit Committee membership for 1 January–26 April 2024 as per the resolution of the Annual General Meeting 2023 and meeting fees for 26 April–31 December 2024 as per the resolution of the Annual General Meeting 2024.

3) The members of the Board of Directors living outside Finland were paid EUR 900 per meeting if the member traveled to Finland only for that meeting.

CEO REMUNERATION IN 2024

The Board of Directors decides on the remuneration of the CEO as well as on the key terms and conditions of the CEO's service. The target levels and maximum levels of the variable remuneration-related measures are based on the long-term strategic objectives defined by the Board of Directors.

According to the Remuneration Policy 2024, the remuneration of the CEO consists of a fixed monthly salary, fringe benefits, and performance-based incentive systems. The incentive systems consist of an annual short-term performance incentive scheme and a

long-term share incentive scheme. The remuneration of the CEO may also include a supplementary pension arrangement and a severance payment.

In 2024, CEO Matias Järnefelt was paid a total remuneration of EUR 580,776 (EUR 251,882; Järnefelt assumed his role on 1 June 2023). Variable remuneration constituted 12% of the overall remuneration and fixed pay 88%.

FIXED SALARY

CEO Matias Järnefelt's monthly salary during 2024 totaled to EUR 510,639 (251,882) including taxable benefits.

SUMMARY OF CEO REMUNERATION COMPONENTS IN 2024

Remuneration component	Description of remuneration
Fixed: Salary	Fixed monthly salary including taxable benefits: car benefit and telephone benefit
Fixed: Pension	Statutory pension in Finland
Variable: Short-term incentive scheme	The purpose is to support the achievement of the company's short-term financial and strategic objectives. The performance period for the CEO's short-term incentive scheme is one year. The payment of the bonus is based on achieving the target level for Harvia's consolidated adjusted operating profit and personal targets.
Variable: Performance bonus	The payment of the bonus is based on achieving certain profitability target of Harvia companies in Finland.
Variable: Long-term incentive program	The share-based long-term incentive program aims to support the implementation of the company's strategy, align the objectives of the management and the company's shareholders to increase the value of the company and improve the performance of the company, and commit the CEO to the company.



SHORT-TERM INCENTIVE SCHEME

In 2024, the bonus payable based on the short-term incentive scheme can account for a maximum of 50 percent of the CEO's fixed salary including benefits, which was equal to that in 2023.

In the financial year 2024, personal targets related to Harvia's growth as well as to developing the Group strategy, implementation of the new operational model as well as the development of the US business. In 2023 Järnefelt's personal targets related to managing net working capital, developing the company's capacity to make profits and improving occupational safety.

PERFORMANCE BONUS

In 2024, Järnefelt was part of a performance bonus system that covers the entire personnel of Harvia's companies in Finland (Harvia Plc, Harvia Group Oy, and Harvia Finland Oy). In the system, the performance bonus is a maximum of six percent of the annual salary, based on the achievement of certain profitability targets.

The 2024 bonus to be paid to the CEO in 2025 will be 6% of the CEO's salary.

SHORT-TERM INCENTIVE SCHEME'S CRITERIA

Criteria in 2024	Weighting	Performance outcome
Consolidated adjusted operating profit	66.7%	66.7%
Personal targets	33.3%	29.5%
Total	100%	96.2%
Bonus payment for 2024		EUR 243,556 (to be paid in 2025)
<hr/>		
Criteria in 2023		
Consolidated adjusted operating profit	66.7%	5.5% (7/12 parts of the year)
Personal targets	33.3%	19.4% (7/12 parts of the year)
Total	100%	24.9%
Bonus payment for 2023		EUR 55,437 (paid in 2024)

LONG-TERM INCENTIVE SCHEME

For each performance period, the Board of Directors separately decides the performance criteria and related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment. The payment of rewards based on the performance criterion concerning organic revenue growth requires that Harvia achieves a certain EBIT margin in the performance period.

If the targets of the plan are reached, rewards will be paid to the participants during the spring following the end of the given performance period. If the CEO's service contract would have terminated before the payment of the reward, no reward would be paid as a rule.

The program has no commitment period or terms and conditions associated with the number of shareholdings.

The potential rewards paid through the incentive program represent gross earning from which withholding tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances.

PERFORMANCE PERIODS OF THE SHARE-BASED INCENTIVE PROGRAM

Performance period	Performance criteria and their weighting	Payment date	The maximum number of shares to be paid to the CEO, gross	The reward earned by the CEO in relation to the maximum
2021-2023	<ul style="list-style-type: none"> Absolute TSR (50%) Organic revenue growth (40%) Sustainability: sustainability strategy and metrics (10%) 	Spring 2024	7,910	<ul style="list-style-type: none"> Järnefelt not covered by the performance period
2022-2024	<ul style="list-style-type: none"> Absolute TSR (50%) Organic revenue growth (35%) Sustainability: reducing CO₂ emissions (15%) 	Spring 2025	16,889	<ul style="list-style-type: none"> Järnefelt not covered by the performance period
2023-2025	<ul style="list-style-type: none"> Absolute TSR (50%) Organic revenue growth (35%) Reducing CO₂ emissions (15%) 	Spring 2026	13,835	<ul style="list-style-type: none"> Ongoing performance period Järnefelt covered by the performance period
2024-2026	<ul style="list-style-type: none"> Absolute TSR (50%) Revenue growth (40%) Reducing CO₂ emissions (10%) 	Spring 2027	11,893	<ul style="list-style-type: none"> Ongoing performance period Järnefelt covered by the performance period

The payment of rewards based on the performance criterion concerning organic revenue growth requires that Harvia achieves a certain EBIT margin in the performance period.

REMUNERATION PAID TO THE CEO IN 2024

Remuneration component	EUR
fixed monthly salary, in total ¹⁾	510,639
Short-term incentives from 2023	55,437
Performance bonus from 2023	14,700
Total	580,776

1) Including taxable benefits (car and telephone benefit).

THE REWARD TO BE PAID TO THE CEO IN 2025 BASED ON 2024 PERFORMANCE

Remuneration component	EUR
Short-term incentives from 2024	243,556
Performance bonus from 2024	29,052
Total	272,608

THE KEY TERMS OF SERVICE OF THE CEO

The management contract of CEO Järnefelt is valid until further notice. The CEO's contract contains a mutual six-month period of notice and a 12-month non-compete period upon its termination.

If the company terminates the service contract, the CEO is entitled to a severance payment corresponding to six months' basic salary. The CEO's retirement age is determined by the statutory pension system.





REPORT BY THE BOARD OF DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS 2024

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Report by the Board of Directors for 2024

GENERAL INFORMATION OF HARVIA

Harvia is the global industry leader in sauna and spa products. Harvia has a comprehensive product offering that strives to meet the needs of the global sauna and spa market, for industry professionals and consumers alike. Harvia's largest client groups are retailers and wholesalers who sell Harvia products to builders and end customers. Harvia's product offering is divided into five categories: heating equipment, saunas and Scandinavian hot tubs, steam products, accessories and heater stones, and spare parts and services.

Harvia's headquarters are located in Muurame, Finland. The Group's production facilities are located in Finland, Germany, China, the United States, Romania, Estonia, and Italy, and additionally, the group has sales and customer service companies in Sweden, Austria, Hong Kong, and Japan. Harvia's products are distributed globally through a network of dealers.

PROFIT PERFORMANCE, KEY FIGURES AND STATEMENT OF FINANCIAL POSITION

Harvia's key figures for the period 1 January - 31 December 2024 are presented below (EUR thousand, unless otherwise indicated).

	2024	2023	2022
Key statement of comprehensive income indicators			
Revenue	175,206	150,547	172,408
EBITDA	42,445	39,298	41,173
EBITDA margin, percent	24.2%	26.1%	23.9%
Adjusted EBITDA	44,060	39,924	42,947
Adjusted EBITDA margin, percent	25.1%	26.5%	24.9%
Operating profit	35,486	33,044	34,678
Operating profit margin, percent	20.3%	21.9%	20.1%
Adjusted operating profit	37,100	36,670	36,452
Adjusted operating profit margin, percent	21.2%	22.4%	21.1%
Basic EPS (EUR)	1.30	1.25	1.45
Diluted EPS (EUR)	1.29	1.24	1.44
Key cash flow indicators			
Cash flow from operating activities	31,668	39,139	24,335
Operating free cash flow	35,003	44,601	33,989
Cash conversion, percent	79.4%	111.7%	79.1%
Investments in tangible and intangible assets	-6,149	-3,124	-3,587
Financial position key figures			
Net debt	57,216	37,569	54,529
Net debt / adjusted EBITDA (Leverage), percent	1.3	0.9	1.3
Net working capital	44,955	36,132	45,319
Capital employed excluding goodwill, average	81,539	76,129	66,836
Capital employed excluding goodwill at the end of period	90,255	72,823	79,435
Adjusted return on capital employed (ROCE), percent	45.5%	44.2%	54.5%
Equity ratio, percent	47.2%	51.0%	47.3%
Return on equity (ROE), percent	20.8%	30.8%	45.5%

The Group's revenue increased in January-December by 16.4% to EUR 175.2 million (150.5), driven especially by both organic and inorganic growth in North America. At comparable exchange rates, revenue increased by 16.2% to EUR 175.0 million.

Revenue increased significantly in North America and in the APAC & MEA region, with Continental Europe also experiencing some increase in demand. The decrease in revenue in Northern Europe was driven by the difficult market conditions, including construction sector weakness, low consumer confidence and restructuring actions at some major customers.

Revenue increased significantly in all product groups except spare parts and services. The ThermaSol acquisition supported the high growth of steam product sales. In the saunas and Scandinavian hot tubs product group, the growth in North America supported especially sauna room sales but the decline in the sales of Scandinavian hot tubs offset some of this impact.

Operating profit for January-December increased to EUR 35.5 million (33.0), while the operating profit margin was 20.3% (21.9%). The operating profit included EUR -1.6 million (-0.6) of items affecting comparability, mainly related to business transactions and restructuring. Changes in exchange rates strengthened the operating profit by approximately EUR 0.2 million, caused mainly by the value changes of the U.S. dollar.

Adjusted operating profit increased to EUR 37.1 million (33.7) and the adjusted operating profit margin was 21.2% (22.4%). Net financial items for January-December were EUR -3.6 million (-3.5). Financing costs increased due to the interest on the new loan of EUR 20 million that was raised to finance the

acquisition of ThermaSol. The increase in financial items was offset by the impact of exchange rate gains on foreign currency bank accounts.

The acquisition of ThermaSol is expected to create annual synergies of approximately EUR 1.7 million by the end of 2027. The identified key sources of synergy comprise sourcing and logistics, marketing, cross-sell, distribution, and common management within Harvia US companies. One-off transaction, integration and post-closing costs are estimated to total EUR 1.4 million over the years 2024-2026. As ThermaSol's relative profitability prior to the acquisition was below Harvia's level, the acquisition is expected to have a small short-term negative impact to the relative profitability of Harvia before the identified synergies are realized. The transaction will not have impact on Harvia's long-term targets related to growth, profitability and leverage.

Profit before taxes was EUR 31.9 million (29.5). The Group's taxes amounted to EUR 7.6 million (6.3).

The net result for January-December was EUR 24.2 million (23.3) and undiluted earnings per share were EUR 1.30 (1.25).

The Group's investments in January-December 2024 were EUR 6.1 million (3.1). During 2024, Harvia invested in growth opportunities in the USA and improved automation, efficiency, and sustainability of its production facilities. Harvia acquired 8.7 hectares of land surrounding its production facility in West Virginia and began planning a new warehouse facility for the area. Additionally, the company made several add-on investments in its production facilities including a layout change and ramp-up of an upgraded, more automated production line for woodburning heaters in the Muurame factory. The company invested also in

heat pump technology for the Sastamala production facility and purchased a laser cutter for the factory in Germany.

PERSONNEL

The number of personnel employed by the Group at the end of December 2024 was 696 (605) and averaged 661 (612) in January-December. Of the personnel at the end of December, 255 (238) worked in Finland, 145 (76) in the United States, 125 (116) in Germany, 61 (67) in Romania, 56 (57) in China and Hong Kong, 34 (31) in Austria, 12 (12) in Italy, 6 (6) in Estonia and 2 (2) in Sweden.

The continuing strong growth in North America was reflected in the increasing personnel in the United States but also in Finland, as the majority of the company's heaters sold in North America are manufactured in the Muurame factory. In addition, the acquisition of ThermaSol at the end of July increased the personnel in the United States.

Personnel expenses totaled EUR 35,213 thousand (EUR 28,919 thousand) in 2024, of which wages, salaries and remuneration amounted to EUR 29,913 thousand (EUR 23,889 thousand).

RESEARCH AND PRODUCT DEVELOPMENT

In 2024, Harvia developed and launched several innovations, such as the woodburning version of its top-selling heater Cilindro, the world's first solar-powered electric sauna Kirami Finvision Tile, and a new Harvia Fenix control unit. The woodburning Cilindro heater was designed especially for the traditional Northern European sauna market. The product has raised a lot of positive attention in trade fairs during

the autumn 2024. Kirami Finvision Tile is a good example of how Harvia aims to lead the innovation in the global sauna and spa business. Harvia wanted to design a sauna that uses materials and consumes energy sustainably, ensuring that sauna sessions do not strain the environment unnecessarily. The Harvia Fenix control panel, which will become available in 2025, has a more advanced touch screen, remote control and new intelligent functions such as creating heating profiles.

Harvia's research and development activities build on the company's four strategic priorities: 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. The company aims at launching new products and solutions, especially in the sauna category, expanding the company's portfolio, especially outside Europe, and strengthening the company's digital capabilities. In addition, the company focuses on increasing automation and improving its operational efficiency and ensuring its operations support the long-term growth of the company.

During 1 January-31 December 2024 there were on average 21 employees working in research and development. The Group's research and development expenditure amounted to EUR 2.2 million (EUR 2.3 million in 2023), of which EUR 1.8 million (EUR 1.7 million in 2023) were recognized as expenses.

ASSESSMENT OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES

Harvia's business is exposed to several risks and uncertainties. This is partly a result of the company's global presence and supply chain network, even though these factors also help Harvia to recognize

and actively mitigate its risks. Harvia is familiar with operating successfully in an environment shaped by changing market conditions and risks, but the full impact of all changes in different markets is difficult to foresee, as situations often develop fast and are hard to fully predict.

General economic, social and political conditions impact Harvia's operating environment. Economic uncertainty and rapid developments in Finland, Europe, North America or more widely across the globe can affect the company's business in many ways and make accurate predictions and planning of future business more difficult than usual. Changes in consumer confidence and the resulting demand implications directly impact Harvia's business. Especially in the direct-to-consumer market, deteriorating consumer confidence can result in individual consumers postponing investments in new saunas and components, and to a lesser extent, in postponing replacement demand. In addition, the availability of energy and energy prices may impact consumer confidence and the frequency of sauna usage.

Geopolitical events and uncertainties can affect Harvia either directly or indirectly through, for example, deteriorating market conditions. A notable example of this is the Russian invasion of Ukraine in February 2022. Harvia suspended its operations in Russia at the beginning of March 2022 and completed its exit from Russia by selling its 80% share in EOS Russia in November 2022. The transaction was closed in March 2023 after receiving relevant approvals from Russian authorities. In addition to this direct impact, the ongoing war has impacted the sauna market and the company's business indirectly through increased economic uncertainty and inflation, especially in Europe. Developments related to the war in Ukraine

as well as other geopolitical developments around the world can affect Harvia also in the future. Geopolitical tensions often give rise to tightening trade policies, including increasing tariffs and other hindrances of international trade. If these occur in Harvia's key countries, they may have an impact on Harvia, either directly or through weakening general market conditions.

The self-sufficiency of the Group's manufacturing processes, the backup supplier system for materials and the widely dispersed customer base balance potential strategic risks. Production is based on the company's own design and patents, and these are used to manage potential operational risks. Damage risks are covered with insurances where possible, and their coverage is assessed annually together with the insurance company. However, disruptions in Harvia's global supply chain or logistics network as well as significant strikes and other industrial actions in key countries, such as Finland, can have a negative impact on the company's business.

The increase in cyber threats worldwide alongside the growing dependency on digital infrastructure cause risks to Harvia's business and its critical data. The impacts of these threats can occur either directly by disrupting or endangering Harvia's daily operations or compromising data or indirectly through attacking Harvia's suppliers or customers, and thus can potentially result in financial, operational or reputational damage to the company. The company continuously takes actions to prepare for these risks by protecting its digital infrastructure, operations and people against them. In addition to having various technical solutions, the company focuses on training its personnel to recognize potential threats and to mitigate cyber risks with their own actions.

Harvia has business operations in several countries and is exposed to transaction and translation risks mainly relating to the U.S. dollar. Exchange rate risks have thus far not been significant for the Group, and Harvia has not protected itself from these risks with currency derivatives. The Group's loans consist of long-term liabilities. The loans include covenants, which in unfavorable business conditions may require new financing negotiations with the bank. The company protects itself from interest risks arising from bank loans with interest rate swaps amounting to EUR 56.5 million.

Derivatives

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. The fair value of the interest rate swap fluctuates according to interest rate market expectations. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and subsequently measured per contract at their fair value through profit or loss, if they do not qualify for hedge accounting. If a derivative is designated as a hedging instrument, its fair value is recognised in the balance sheet in the fair value reserve.

In 2024, Harvia negotiated an additional interest rate swap agreement for the EUR 20 million bullet loan withdrawn to finance the acquisition of ThermaSol in July 2024. Harvia is exposed to interest rate risk in the floating interest rate payments of the EUR 20 million loan agreement dated 22 July 2024. The interest rate risk means that the future cash flows will fluctuate because of changes in market interest rates. The objective is to minimize the effect of interest rate fluctuations on the Group's annual result and to manage exposure to interest rate risk.

Nature of the risk being hedged is the interest rate risk relating to cash flows from the increase and variability in 1-month Euribor. This hedge is classified as a cash flow hedge and it is categorized under Level 2 of the fair value hierarchy.

Harvia is exposed to interest rate risk in the floating interest rate payments on loans drawn under the Loan Facility agreement. The interest rate risk is that the future cash flows will fluctuate because of changes in market interest rates. The objective is to minimise the effect of interest rate fluctuations on the Group's annual result.

There is an economic relationship between the hedged item and the hedging instrument: The loan interest payments are linked to 1-month Euribor and derivative payments received are linked to 1-month Euribor. The interest rate setting for both the hedging instrument and the hedged item are defined on the same date.

The effect of credit risk does not dominate the value changes that result from that economic relationship. A condition for applying hedge accounting is that the effect of credit risk does not dominate the value changes that result from the economic relationship that is the subject of the hedge. Standard & Poors' long term rating for the derivative counterparty Danske Bank is AA-. The credit risk is considered low and does not dominate the hedge relationship.

The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity hedges and the quantity of the hedging instrument that the entity uses to hedge that quantity of hedged item. The hedge ratio is 1:1. Prospectively the hedged item and the hedge instruments have

terms and conditions that meet the 1:1 ratio. Harvia will evaluate qualitatively each quarter that the conditions have not changed.

The Group had two interest rate swap agreements with fair value of EUR 982 thousand and EUR -4 thousand at the end of 2024 (2023: EUR 1,869 thousand). Changes in the fair value of the swap have no cash flow impact. Nominal values of the interest rate swap agreements were EUR 36,500 thousand and EUR 20,000 thousand as at 31 December 2024 (2023: EUR 36,500 thousand). The interest rate swap agreements mature on 15 December 2026 and 22 July 2027.

GROUP STRUCTURE

Harvia Plc is a holding company and the parent company of the Harvia Group. Harvia Plc owns all Harvia subsidiaries and subgroups through Harvia Group Oy. Harvia Finland Oy is a subsidiary of Harvia Group Oy that manufactures heaters, saunas and sauna and spa products. Harvia Finland Oy owns the subgroup Harvia (HK) Sauna Co. Ltd and subsidiaries Harvia Estonia OÜ, non-operative LLC Harvia RUS, Sauna-Eurox Oy, Parhaat Löylyt Oy and Phoenix El-Mec Srl. Harvia Austria Group (former Sentiotec Group) is another subgroup of Harvia Group Oy that specializes in control units, sauna rooms and sauna heaters. In 2018, Harvia Group Oy established the subgroup Harvia US Holdings Inc. in the United States, which owns the operating company Harvia US Inc. Harvia Group Oy owns Scandinavian hot tub manufacturer Kirami Oy and 60% of its sales company Kirami Sweden AB. In addition, Harvia Group Oy owns 100% of EOS Group in Germany, which manufactures premium quality heaters and other sauna products, and 51% of Harvia Japan Limited that imports and sells Harvia's products to local dealers.

In 2024, Harvia acquired the ThermaSol subgroup. ThermaSol Steam Bath LLC is a leading manufacturer of high-end steam showers and steam rooms in the United States while Harvia US manufactures sauna products and sells Harvia brand products to local dealers.

RECENT CHANGES IN GROUP STRUCTURE

In 2023, Harvia completed the divestment of its 80.0% share in EOS Russia after receiving the required approvals from the Russian officials. In 2023, Harvia also established Harvia Japan Limited and acquired electromechanical timer manufacturer Phoenix El-Mec.

In 2024, Harvia acquired high-end steam shower and steam room manufacturer ThermaSol Steam Bath LLC. In addition, Harvia simplified its group structure by merging Velha Oy and Saunamax Oy into Harvia Finland Oy as well as merging Kusatek GmbH and Spatronic GmbH into EOS Saunatechnik GmbH.

ANNUAL GENERAL MEETING

The Annual General Meeting of Harvia, held on 26 April 2024, approved the financial statements and discharged the members of the Board of Directors and the company's CEO from liability for the financial year 2023. The Annual General Meeting approved in an advisory decision the remuneration report for the governing bodies. The Annual General Meeting resolved to reject the revised remuneration policy for the company's governing bodies. The resolution made is advisory.

The Annual General Meeting approved the Board of Directors' proposal that EUR 0.68 per share be paid as dividend and that the remainder of the distributable funds be transferred to shareholders' equity. The dividend was paid in two installments. The first installment, EUR 0.34 per share, was paid to shareholders who were registered in the shareholders' register maintained by Euroclear Finland Ltd on the record date of the dividend of 30 April 2024. This instalment of the dividend was paid on 8 May 2024. The second instalment, EUR 0.34 per share, was paid in October 2024. The record date of the dividend date was 21 October 2024 and the dividend payment date 28 October 2024.

The Annual General Meeting resolved that the Board of Directors consists of six members. Olli Liitola, Anders Holmén, Hille Korhonen, Heiner Olbrich, Markus Lengauer and Catharina Stackelberg-Hammarén were re-elected to the Board of Directors. Authorized Public Accounting firm Deloitte Oy was elected as the Auditor of the company and as the assurance provider for the company's sustainability reporting for the financial year 2024, and Authorized Public Accountant Johan Groop will act as the Responsible Auditor.

The Board of Directors was authorized to resolve on the repurchase of a maximum of 934,711 shares in the company in one or several tranches. The maximum number of shares to be repurchased represents approximately 5% of all the shares in the company on the date of the Annual General Meeting. The authorization may be used e.g. for the purposes of the company's share-based incentive systems, for the purposes of board compensation and other matters decided by the Board of Directors. The authorization is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2025.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Finnish Limited Liability Companies Act in one or several tranches, either against payment or without payment. The aggregate number of shares to be issued, including the shares to be received based on special rights, must not exceed 1,869,423 shares. The Board of the Directors may resolve to issue new shares or to transfer own shares possibly held by the company.

The authorization entitles the Board of Directors to decide on all other matters related to the issuance of shares and special rights entitling to shares, including the right to deviate from the pre-emptive right of shareholders to subscribe to shares to be issued. The authorization may be used for the purposes of strengthening the balance sheet and financing position of the company, for the purposes of board compensation or for other purposes decided by the Board of Directors. The authorization is valid until the closing of the next Annual General Meeting, but no longer than until 30 June 2025.

BOARD OF DIRECTORS' ORGANIZATIONAL MEETING

Heiner Olbrich was elected the Chair and Catharina Stackelberg-Hammarén was elected the Vice Chair of Harvia Plc's Board of Directors at the Board of Directors' organizational meeting on 26 April 2024. The Board of Directors elected from among its members Hille Korhonen (Chair), Anders Holmén and Markus Lengauer as members of the Audit Committee. In addition, Harvia Plc's Board of Directors decided to establish a Personnel and Remuneration Committee. The Committee's task is to assist the Board of Directors

in issues related to personnel and remuneration. The Board of Directors elected from among its members Heiner Olbrich (Chair), Olli Liitola and Catharina Stackelberg-Hammarén as members of the Personnel and Remuneration Committee.

The full resolutions by the Annual General Meeting as well as the decisions by the organizational meeting of the Board of Directors were published in stock exchange releases on 26 April 2024.

SHARE-BASED INCENTIVE PLAN

Harvia has a share based long-term incentive plan for the CEO, for Management Team members and some other key employees. The plan forms a part of Harvia Plc's remuneration program for its executives, and the aim of the plan is to support the implementation of the company's strategy, to align the interests of the executives with interests of the shareholders to increase the value of the company, to improve the performance of the company, and to retain the executives.

The long-term incentive plan consists of three performance periods of three calendar years each: 2022-2024, 2023-2025 and 2024-2026. During 2024, Harvia paid out the rewards regarding the performance period 2021-2023. The Board of Directors decides separately for each performance period the plan participants, performance criteria, and related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment.

On 25 March 2024, the Board of Directors of Harvia Plc decided to continue the Long-term Performance Share Plan for the Management Team and other key employees for the performance period 2024-2026. In the performance period 2024-2026, the plan

has 27 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, CO2 emissions and EBIT margin. The number of shares to be paid based on the performance period 2024-2026 is a maximum of 68,100 Harvia Plc shares. This number of shares represents the gross earning, from which the withholding of tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period 2024-2026 will be paid out during spring 2027.

STRATEGY UPDATE AND ADJUSTED LONG-TERM FINANCIAL TARGETS

On 29 May 2024, Harvia announced its updated strategy and long-term financial targets. Harvia's long-term financial targets were adjusted to reflect the company's growth ambitions. The new long-term targets are an average annual revenue growth of 10%, an adjusted operating profit margin exceeding 20% and a net debt/adjusted EBITDA below 2.5x. Harvia's updated strategic focus areas are 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.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF PROFIT

Harvia Plc's total unrestricted equity amounts to EUR 81,045,028.97 in total, of which profit for the period accounts for EUR 18,797,782.38. The company aims to pay a regularly increasing dividend with a bi-annual payout. In order to determine the amount of dividend, the Board of Directors has assessed the

company's solvency and financial standing after the end of the period.

Harvia's Board of Directors proposes to the Annual General Meeting that the company distributes a dividend of EUR 0.75 (0.68) per share, EUR 14,020,677.00 in total, for the financial period ended 31 December 2024. The Board of Directors proposes the dividend to be paid in two instalments, EUR 0.38 per share in April 2025 and EUR 0.37 in October 2025.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

The Board of Directors of Harvia Plc comprised the following members: Olli Liitola, Hille Korhonen, Anders Holmén, Heiner Olbrich, Markus Lengauer, and Catharina von Stackelberg-Hammarén. Heiner Olbrich served as the Chairman of the Board, while Matias Järnefelt held the position of Chief Executive Officer. The company's auditors were PricewaterhouseCoopers Oy, with Markku Katajisto as the responsible auditor until 26 April 2024, and Deloitte Oy, with Johan Groop as the responsible auditor as of 26 April 2024.

The members of the Group Management Team were Matias Järnefelt, CEO; Ari Vesterinen, CFO; David Ahonen, Head of Region Asia Pacific, Middle East and Africa; Timo Harvia, Head of Innovation and Technology; Päivi Juolahti, Head of Marketing and Brand; Anssi Pelkonen, Head of Region Northern Europe; Mika Suoja, Head of Production; Markus Wörmanseder, Head of Product and Solutions; Jennifer Thayer, Head of Region North America (as of 1 February 2024), Rainer Kunz, Managing Director of EOS Group (until 12 August 2024) and Philipp Krauth, Managing Director of EOS Group (as of 12 August 2024).

CHANGES IN MANAGEMENT AND ORGANIZATION

Harvia's new organizational structure took effect as of 1 January 2024. The new organization consists of four geographical sales regions: North America, Northern Europe, Continental Europe, and APAC & MEA. It also encompasses five Group functions: Marketing & Brand, Products & Solutions, Innovation & Technology, Operations, as well as Support functions. Additionally, there is a Management Team position for the Head of EOS Brand and Products.

On 26 January 2024, Harvia Plc appointed Jennifer Thayer as Head of Region, North America and President of Harvia US Inc., and a member of the Management Team of Harvia Group. In her role, Thayer leads the North American commercial organization and drives the growth and profitability of Harvia's business in the region. She assumed her position on 1 February 2024.

On 3 June 2024, Harvia Plc appointed Philipp Krauth as Managing Director of EOS, Head of EOS Brands and Products, and a member of Harvia's Management Team. In his role, Krauth is responsible for leading EOS Group and ensuring a distinct and exciting identity for Harvia Group's highest-end solutions that are sold under the EOS brand. Krauth assumed his position on 12 August 2024.

SHAREHOLDERS' NOMINATION BOARD

On 9 September 2024, Harvia announced the composition of the Shareholders' Nomination Board, which is comprised of representatives appointed by the company's four largest shareholders. Juho Lipsanen, Minna Laaksonen, Janne Kujala and Josefin Degerholm were appointed to the Shareholders' Nomination Board.

In addition, Heiner Olbrich, Chairman of the Board of Directors of Harvia Plc, serves as an expert in the Nomination Board without being a member.

OUTLOOK FOR FUTURE

According to Harvia's estimate, the global sauna market is approximately EUR 3.5 billion in value and there are over 18 million saunas in the world. The total market value is driven by both the growing installed base of saunas as well as the significant aftermarket for saunas and sauna heaters. Clear majority of the global installed base is in Europe with Finland, Germany and Russia being the countries with most saunas. In Europe, the sauna market demand is driven especially by the need to replace sauna heaters regularly, which increases the resilience of the sauna market in economic downturns. In addition to the key European countries, United States is one of the largest sauna markets, but there the market size and growth is driven primarily by the increasing installed base of saunas.

Historically, the sauna market has grown annually by an average of 5% and has witnessed some seasonality with slightly stronger demand in the early and late part of the year and lower demand during the summer months. However, the market growth and seasonality have varied: for example, during the exceptional demand growth during the COVID-19 pandemic, seasonality could hardly be witnessed. Harvia's management estimates that during the next 5 years, the global sauna market will grow faster than its historical 5% rate, the growth being supported by the increasing awareness of sauna and its health benefits.

The sauna market in Europe has been challenging for more than two years, followed by the Russian invasion of Ukraine and the wider weak economic development.

Sluggish economic growth and eroded consumer confidence in many key markets have affected demand across product segments. However, the negative impacts have not been equally strong in all European countries. From the end of 2023 onwards, the market demand has been gradually improving in Continental Europe especially in high-end and professional segments, even if the market has not yet fully recovered. The macroeconomic conditions in Germany, the largest sauna market in Europe, have remained challenging, which has continued to affect the market demand also in the sauna industry. In Northern Europe, continuing headwinds in the construction sector and weak consumer confidence have kept the market environment challenging for long, especially in Finland.

Outside Europe, especially in North America and Asia-Pacific, the sauna market has developed favorably for several years. This positive development continued also in 2024. The strong growth in North America has been heavily supported by the growing awareness of sauna and its health benefits. Especially in traditional and infrared saunas, the positive development has continued despite some weakening in the economic conditions and consumer confidence in the United States in 2024. In Asia-Pacific, the characteristics of the sauna market vary significantly between countries, but overall, the market in the region has enjoyed good growth despite some economic challenges in certain key countries, such as China. The demand in market areas outside Europe continues to be skewed towards more high-end products and full solutions, especially compared to Finland, where sauna is seen as an everyday experience and consumers often have significant know-how of saunas and related renovation work. The increase in the popularity of sauna, low but increasing sauna penetration, and resilient high-end

demand continue to support market growth in the emerging sauna markets.

According to the management's estimate, Harvia's share of the sauna market has increased during the last few years. This development was estimated to have continued also in 2024, driven both by Harvia's organic growth and the acquisition of ThermaSol in July. In 2024, Harvia's share of the sauna market was estimated to be approximately 5%. The company's share of the sauna heater and sauna component market is estimated to be over 20%. The company's management estimates that Harvia has the leading position in the global sauna market.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

On 17 January 2025, Harvia published the proposals by the Shareholders' Nomination Board to the Annual General Meeting, planned to be held on 8 April 2025. The Nomination Board proposes that the number of members of the Board of Directors will be increased from six to seven. The Nomination Board also proposes that the current members Heiner Olbrich, Catharina Stackelberg-Hammarén, Anders Holmén, Hille Korhonen, Markus Lengauer and Olli Liitola be re-elected to the Board of Directors. In addition, the Nomination Board proposes that Petri Castrén be elected as a new member to the Board of Directors. The Nomination Board proposes no changes to the monthly remuneration of the Board of Directors.

Sustainability Statement

ESRS2 GENERAL DISCLOSURES

In this Sustainability Statement, Harvia Group is reporting for the first time according to the new European Union Corporate Sustainability Reporting Directive (CSRD) and the underlying European Sustainability Reporting Standards (ESRS). The new reporting requirements have provided a structured framework for identifying, assessing and managing sustainability-related impacts, risks, and opportunities. Harvia has adopted these standards and is committed to continuously improving its sustainability practices and reporting. This statement reflects Harvia's current progress and approach to integrating sustainability into business operations.

General basis for preparation

Harvia Plc (Harvia), a parent company, has prepared this Sustainability Statement on consolidated basis for all Harvia Group companies. The list of companies is presented in Harvia Group's Financial Statements in the note 6.1. Group structure and consolidation.

The reporting period and the scope of consolidation is the same as for the consolidated Financial Statements of Harvia Group and applies from 1 January to 31 December 2024.

This sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards. This statement does not cover the tagging of the Harvia's Sustainability Statement with digital XBRL sustainability tags under Chapter 7, Section 22,

Paragraph 1, Item 2 of the Accounting Act, as it has not been possible for the sustainability reporting companies to comply with this provision due to the absence of the ESEF Regulation or other European Union legislation.

The comparative information presented in the 2024 sustainability statement has not been externally assured and comparative information is not in the scope of the 2024 limited assurance.

REPORTING SCOPE

The disclosed sustainability matters are based on the Harvia Group's double materiality assessment conducted during 2023-2024. In general, this sustainability statement covers the entire Harvia Group and its value chain where applicable and material.

Harvia assessed its material impacts, risks and opportunities through its direct and indirect business relationships in its upstream and downstream value chain as part of the double materiality assessment and the supplementing impacts, risks and opportunities assessment (IRO assessment) performed. The concentration of impacts, risks and opportunities to Harvia's own operations as well as its upstream and downstream value chain has been presented in the table set out in section "Material impacts, risks and opportunities" of this Sustainability Statement. Harvia's assessment of impacts, risks and opportunities in respect of its upstream and downstream value chain is based on information available in-house, such as information received from long-term customer, partner

and supplier relationships and experience, publicly available information, and surveys and interviews made for stakeholders.

Harvia's upstream value chain encompasses supplier and partner operations, including raw material acquisitions, while its downstream value chain includes business-to-business customers and partners, consumers, end-users, and communities.

Harvia has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation or impending developments or matters in the course of negotiations.

Scope of sustainability-related policies, actions and targets

Harvia Code of Conduct and Harvia Group Sustainability Policy cover Harvia's own operations and how Harvia conducts business. The Supplier Code of Conduct concerns Harvia's suppliers and partners.

Main focus of the actions and targets is in Harvia's own operations often having direct impact on both upstream and downstream value chain.

SPECIFIC REPORTING CIRCUMSTANCES Time-horizons

In this statement, Harvia has used short-, medium- and long-term time-horizons. Short-term reporting period refers to a period of less than one year. Medium-term reporting period refers to a period starting from the

end of the short-term reporting period to up to five years, and long-term reporting period refers to a period of more than five years.

Other reporting standards or frameworks

Harvia has applied the Greenhouse Gas (GHG) Protocol to greenhouse gas emissions accounting.

Data estimates

For calculating greenhouse gas emissions and energy consumption, location-based estimates have been used for those group companies for which market-based data is not available. These units are Harvia China, Harvia Japan, Harvia US, ThermaSol, Phoenix EI-Mec and Harvia Estonia. The calculations where location-based data have been used are the 2021-2024 emission-free electricity share, the 2024 scope 2 electricity emissions and the 2023 and 2024 energy consumption and energy mix data. The margin for error for energy mix and emissions data from the Climate Database Initiative is $\pm 5\%$. The data provided is based on data and statistics that seem reliable, but for example local variance within a country may occur.

For metrics regarding waste data, product recyclability and expected product durability in the ESRS E5 Resource use and circular economy, value chain data estimations have been used due to incomplete primary data or lack of industry averages. This data was estimated mainly using management's expertise and data from public sources. More detailed description of the calculation methodologies and assumptions used are described under chapter "E5 Resource use and circular economy" in section "Resource outflow". The margin for error for the waste data is estimated to be $\pm 5\%$ as there are not many variables involved: Bin size and frequency of emptying are known. The only variable is the filling rate of the bin, which is estimated

to have very little variance. For the recyclability the margin for error is estimated to be $\pm 10\%$, due to varying practices in different locations. For the expected product durability, the margin for error is estimated to be $\pm 10\%$ as the use environment and how the product is used vary. Harvia seeks to improve the data accuracy over time through supplier engagement.

Changes to prior reporting periods

Compared to the previous sustainability data published, Harvia Japan, ThermaSol Ltd. and Phoenix EI-Mec have now been included in the reporting and metrics for the time period they have been part of the Harvia Group during the reporting year.

Harvia has updated the emission factors to more recent and accurate ones, or to the ones found in the generally used emission factor sources, such as the Department for Environment, Food and Rural Affairs (Defra) list for scope 1 emissions and scope 2 natural gas emissions and the Carbon Database Initiative for scope 2 location-based electricity emissions. The change from this update for the base year data is less than 1%.

During the reporting in 2024, Harvia has noticed a prior error in the scope 2 emission data. One emission factor used in the GHG accounting was previously too small. The effect for 2022 is an 18% increase, and for 2023, a 24% increase in scope 2 emissions. The error was found in the 2022 and 2023 scope 2 data and does not affect the baseline 2021 data. All data in this sustainability statement is produced with the corrected data.

References used

In this sustainability statement, references have been made to the information presented in the Financial statements. Below is a list of the referenced data and the corresponding data points:

The revenue and its accounting policy in Note 2.1. Revenue in the Financial Statements. Data points ESRS2 SBM-1, 40 a and 40 b, E1-5 40, E1-6 53 & 55, E1-6 AR 55 and E5-5 35.

Intangible assets and its accounting policy in Note 3.2 Intangible assets and impairment testing and for tangible assets. Data points ESRS 2 MDR-A 69 b and ESRS E1-3 29 c i.

Use of phase-in provisions

On 31 December 2024, according to the consolidated balance sheet of Harvia Group, the average number of 750 employees during the financial year was not exceeded and thus, Harvia Group omits information required under the ESRS S1 Own workforce, ESRS S2, Workers in the value chain and ESRS S4 Consumers and end-users.

Harvia Group has assessed such topical standards to be material in the double materiality assessment conducted and, on the provision of the phase-in, provides only limited disclosures regarding these material topics. The impacts, risks and opportunities of these topics are presented together with all material topics in the section Material impacts, risks and opportunities of this General Disclosures chapter.

The aspirational long-term goals presented in the tables on pages 61-64, which describe how the material topic relates to strategy or the business model, do not comply with the ESRS target requirements. However, they function as an integral part of guiding work and actions. Some of the topics, however, do have concrete targets that fulfill the ESRS target requirements. Most of the actions presented in the table do not result in self-explanatory result data and the results of the

actions will be presented in more detail in future sustainability statements.

The table below describes the sustainability matters that Harvia has assessed as material, but which are not reported for 2024, along with how they are considered in Harvia’s business model and strategy:

Topic	Sub-topic	Sub-sub topic	Strategy and principles related to material topic	Targets	Policies	Key actions	Metrics
ESRS S1 Own workforce	Working conditions	Secure employment	Developing employee capabilities for future success and fostering a supportive work environment form the foundation of Harvia’s strategic focus areas. Harvia Sustainability Program Commitment #4: “For safe and warm community”. Aspirational long-term goal related to the commitment: Zero-accidents.	TARGET: LTIFR: 5% reduction annually ACHIEVEMENT: LTIFR 2024: 11,4 Change to 2023: -28%	Harvia Code of Conduct sets out Harvia’s core principles on respecting human rights and labor rights. Harvia Sustainability Program supplements the Harvia Code of Conduct by setting goals for developing workplace safety which increase employee confidence and productivity. “For safe and warm community” commitment principles: - Our operating is based on values such as equality, diversity and ‘welcoming’. - When we collaborate and support each other, it results in wellbeing and long relationships with everyone from our employees to customers and partners. - We look after the safety, equality and competence development of our people. - We always comply with laws and regulations and generally accepted best practices.	Ensuring and developing work safety and supporting wellbeing. Group-wide guidelines and regular follow-up of safety metrics and action planning & implementation accordingly. Regular People Power & employee Net Promoter Score (NPS) surveys and action planning & implementation accordingly.	Quantity of close-calls, Quantity of lost-time incidents, Lost-time incident frequency rate (LTIFR) People Power Surveys Employee NPS
		Working time					
		Adequate wages					
		Social dialogue					
		Freedom of association					
		Collective bargaining					
		Work-life balance					
		Health and safety					

Topic	Sub-topic	Sub-sub topic	Strategy and principles related to material topic	Targets	Policies	Key actions	Metrics
ESRS S1 Own workforce	Equal treatment and opportunities for all	Gender equality Training and skills development Measures against violence and harassment in the workplace Diversity	Developing employee capabilities for future success and fostering a supportive work environment form the foundation of Harvia's strategic focus areas. Harvia Sustainability Program Commitment #4: "For safe and warm community"		Harvia is committed to human rights in its Code of Conduct, and Harvia Sustainability Program acknowledges training and skill development as a goal to achieve success. "For safe and warm community" commitment principles: - Our operating is based on values such as equality, diversity and 'welcoming'. - When we collaborate and support each other, it results in wellbeing and long relationships with everyone from our employees to customers and partners. - We look after the safety, equality and competence development of our people.	Supervisor trainings Skills up to date and developing - regular trainings Establishing Group-wide process for performance reviews and competence development	People Power Surveys Employee NPS Performance and career development review participation Average training hours per employee
ESRS S2 Workers in the value chain	Working conditions	Health and safety Secure employment Working time Adequate wages Social dialogue Freedom of association Collective bargaining Work-life balance	Continuously developing the sustainability of Harvia's value chain serves as a basis for Harvia's strategic focus areas. Harvia Sustainability Program Commitment #4: "For safe and warm community"	TARGET: 100% of suppliers whose annual purchases are over EUR 20,000 agree and commit to responsible business practices by 2027 ACHIEVEMENT: 93% of suppliers in scope are committed to the Supplier Code of Conduct	Harvia Code of Conduct and Supplier Code of Conduct set out Harvia's core principles on respecting human rights and labor rights. Harvia Code of Conduct and Supplier Code of Conduct forbid the use of child or forced labor. Harvia is committed to United Nations (UN) Charter on Human Rights and International Labour Organization (ILO) Core Conventions in its Sustainability Policy. "For safe and warm community" commitment principles: - When we collaborate and support each other, it results in wellbeing and long relationships with everyone from our employees to customers and partners. - We always comply with laws and regulations and generally accepted best practices.	Commitment requirement of Harvia Supplier Code of Conduct Supplier visits, audits and assessments Supplier management and cooperation	Percentage of suppliers committed to responsible business practices Supplier evaluations

Topic	Sub-topic	Sub-sub topic	Strategy and principles related to material topic	Targets	Policies	Key actions	Metrics
ESRS S4 Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety Protection of children	Strategic focus areas: Increasing the sales of comprehensive systems and solutions Driving growth in strategically important markets Leading in key channels Harvia Sustainability Program Commitment #1: "For good and healthy living". Aspirational long-term goal related to the commitment: Everyone with access to sauna. Harvia Sustainability Program Commitment #2: "For sustainable experiences & enjoyment"		Harvia Code of Conduct sets out Harvia's core principles on product safety. "For good and healthy living" commitment principles: <ul style="list-style-type: none"> - We create a positive impact on the health and longevity of people with our offering. - We actively share science-based information on the health benefits of heat and promote the healthy regimen of using the sauna regularly. - We always evaluate and consider the health and safety impact of our products and technologies. - We guide our customers and end-users in the right use of our products for optimal benefit and experience. - "For sustainable experiences & enjoyment" commitment principles: - We actively guide our end users in responsible use of our products. - Our products are always safe to use, serviceable and long-lasting. 	Compliance with product standards Product testing to ensure safety and compliance with local regulations and requirements Quality assurance and continuous improvement culture Collaborating with researchers and scientists who are experts in the health benefits of sauna & spa Guiding customers and end-users in the responsible, safe and right use of Harvia products Accessories and product functionalities for increased safety, e.g. safety railings and child-lock function	

Topic	Sub-topic	Sub-sub topic	Strategy and principles related to material topic	Targets	Policies	Key actions	Metrics
ESRS S4 Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services Responsible marketing practices	<p>Strategic role of Harvia: “Shaping the global sauna market so that everyone has a reason to experience sauna.”</p> <p>Strategic focus areas:</p> <ul style="list-style-type: none"> Increasing the sales of comprehensive systems and solutions Driving growth in strategically important markets Leading in key channels <p>Harvia Sustainability Program Commitment #1: “For good and healthy living”.</p> <p>Aspirational long-term goal related to the commitment: Everyone with access to sauna.</p> <p>Harvia Sustainability Program Commitment #2: “For sustainable experiences & enjoyment”</p>		<p>Harvia Code of Conduct sets core principles on non-harassment and non-discrimination.</p> <p>“For good and healthy living” commitment principles:</p> <ul style="list-style-type: none"> - We create a positive impact on the health and longevity of people with our offering. - We actively share science-based information on the health benefits of heat and promote the healthy regimen of using the sauna regularly. - We guide our customers and end-users in the right use of our products for optimal benefit and experience. <p>“For sustainable experiences & enjoyment” commitment principles:</p> <ul style="list-style-type: none"> - We actively guide our end users in responsible use of our products. - Our products are always safe to use, serviceable and long-lasting. 	<p>Globally operating business</p> <p>Products and services to all</p> <p>Harvia customers and partners offer public opportunities to enjoy the sauna</p> <p>Solutions for all, for instance, wide price range and easy access saunas for people with disabilities</p> <p>Training for Harvia dealer network</p> <p>Customer Net Promoter Score (NPS) surveys and action planning & implementation accordingly (for Harvia dealer network)</p> <p>Consumer and end-user support and training</p>	Customer NPS
	Information-related impacts for consumers and/or end-users	Privacy	Harvia Sustainability Program Commitment #4: “For safe and warm community”		Harvia Code of Conduct sets out Harvia’s core principles on data protection and access to data.	<p>Commitment and processes to ensure customer data privacy</p> <p>Continuous improvement of IT security and digital infrastructure</p>	

Governance

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The administrative, management and supervisory bodies of the Harvia Group are the following: the Annual General Meeting, the Shareholders' Nomination Board, the Board of Directors including its Audit Committee and Personnel and Remuneration Committee, the Group Chief Executive Officer (CEO), and the Group Management Team. The roles and duties of these bodies are described below.

The Annual General Meeting is the highest decision-making body of Harvia Plc. The Board of Directors, elected annually by the Annual General Meeting, exercises the highest decision-making power in the Harvia Group between the Annual General Meetings. The President and CEO of the Group, elected by the Board of Directors, is supported by the Group Management Team.

The Shareholders' Nomination Board

The Shareholders' Nomination Board prepares proposals concerning the election and remuneration of the Board Members as well as the remuneration of the members of the various Board committees.

Board of Directors of Harvia Plc

Harvia's Board of Directors is the highest body overseeing sustainability, and it approves the policies, Code of Conduct and Supplier Code of Conduct. Principles concerning sustainable business are defined in the Harvia Sustainability Policy. The Board of Directors also approves Harvia's sustainability program and targets. Sustainability is incorporated into Harvia's updated business strategy, which was

approved by the Board of Directors in May 2024. The Board of Directors also decides on the principles according to which the management may make decisions regarding investments. The Board of Directors approves the Group's long- and short-term remuneration schemes and their realization.

According to Harvia's Articles of Association, the Board of Directors of Harvia Plc consists of three to six members. The members of the Board of Directors of Harvia Plc are Heiner Olbrich, Chairman of the Board of Directors, Catharina Stackelberg-Hammarén, Deputy Chair, Anders Holmén, Hille Korhonen, Markus Lengauer, and Olli Liitola. In 2024, the Board of Directors elected from among its members Anders Holmén and Markus Lengauer as members and Hille Korhonen as Chair of the Audit Committee, which is responsible for monitoring and assessment of sustainability reporting and its effectiveness.

On 31 December 2024, all members of the Board of Directors of Harvia Plc were non-executive members representing both genders and several nationalities. Two of the members, 33.3%, were female and four, 66.7%, were male with a gender diversity ratio of 1:2. 66.7% of the members were Finnish citizens, 16.7% German citizens and 16.7% Austrian citizens.

All members of the Board of Directors, elected in the Annual General Meeting on 26 April 2024, were deemed to be independent of the company and its major shareholders based on an assessment of independence in accordance with the Corporate Governance Code. The Board of Directors assesses its operations and ways of working annually as an internal self-assessment.

Harvia Group's employees and other workers are not represented in the composition of the Board of Directors.

Audit Committee

The Audit Committee has no independent decision-making authority; it functions as a preparatory body, and the matters it addresses are brought to be decided on by the Board of Directors.

The Audit Committee monitors the efficiency of the company's internal control, any internal audits, and risk management systems, monitors the statutory audit of the Financial Statements, assesses the independence of the auditor as well as other non-audit services, and prepares a proposal on the appointment of the auditor. The Audit Committee monitors and assesses the company's corporate responsibility and sustainability reporting processes and sustainability report verification, prepares the election procedure for the sustainability auditor, monitors the procedures followed in sustainability reporting and the effectiveness of internal control and risk management, as well as assesses and handles general corporate responsibility matters.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee assists the Board by preparing the remuneration and appointment matters of the CEO and other senior management of the Group, as well as the key principles and practices related to the remuneration of the company's personnel. The Committee shall not make independent decisions without express authorization from the Board. In addition, when carrying out its duties, the Personnel and Remuneration Committee shall act independently with relation to the operative management of the company.

The duties of the Personnel and Remuneration Committee include preparing the governing bodies' remuneration policy and report, presenting the governing bodies' remuneration policy and report to the General Meeting and answering questions about them, preparing the appointment of the CEO and other members of the Management Team and succession planning, preparing and reviewing the remuneration of the CEO and other members of the Management Team, planning the remuneration of other personnel and organizational development, and monitoring and developing the company's organization and personnel matters.

CEO and the Management Team

The CEO is responsible for the day-to-day management of the company. The CEO is responsible for ensuring that the targets, plans, guidelines, and goals set by the Board are carried out within Harvia. According to the Finnish Limited Liability Companies Act, the CEO ensures that the accounting practices of the company comply with the law and that asset management is arranged in a reliable manner.

The Management Team supports the CEO and is responsible for the development and operational management of the Group, in accordance with the goals set by the Board of Directors and the CEO. The Management Team also defines the operating principles and procedures in line with the direction given by the Board of Directors. The Management Team convenes monthly and when needed and focuses on strategic questions concerning the Group and its businesses. Questions concerning financial development, governance, corporate responsibility and development projects are regularly on the agenda. The CEO acts as the chairperson of the Group's Management Team.

The CEO and Group Management Team are responsible for implementing the Code of Conduct and the Supplier Code of Conduct.

Expertise of Administrative, management and supervisory bodies

Harvia's Shareholders' Nomination Board takes into account the principles concerning the Board of Directors' diversity in its work and its proposals. A person elected as a member of Harvia's Board of Directors must have qualifications required for the task as well as adequate availability for carrying out the duties of a Board member. When electing Board members, attention shall be paid to members' mutually complementary experience and competence from the perspective of the company's field of business and development stage.

Varied professional and educational backgrounds support the diversity of the Board. The members of the Board of Directors have held executive positions in a number of domestic and international companies operating in industries where sustainable development is built-in. The extensive and diverse experience across various companies has provided the Board with broad expertise, strategic insight, and a deep understanding of business ethics and good corporate governance.

Additionally, the members of the Audit Committee must have sufficient expertise in accounting, bookkeeping, auditing, internal audits or financial reporting practices as the Audit Committee handles matters relating to the Company's financial reporting and control.

Harvia Group's material topics and their impacts, risks, and opportunities are included in the relevant meetings and trainings arranged for the members of the Board

of Directors, Management Team and Sustainability Steering Group.

Harvia Group also has an e-learning platform to provide training regarding the Corporate Sustainability Reporting Directive (CSRD) to the Board, Audit Committee, Group Management Team, and Sustainability Steering Committee. The training was implemented in 2024, and it is mandatory to everyone belonging to the aforementioned groups.

THE ROLES OF GOVERNING BODIES

The Board of Directors has general competence, and is ultimately responsible for the material impacts, risks, and opportunities. The Board of Directors has reviewed and approved the IRO assessment for Harvia on 5 November 2024. Harvia's group-wide Sustainability Policy sets out the basis for its sustainability governance and reporting. The Sustainability Policy was reviewed and approved by the Board of Directors on 5 November 2024.

The duties and the responsibilities of the governing bodies and the personnel of Harvia Group are defined in the group-wide Sustainability Policy:

- 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 its supervisory 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. The Audit Committee has no independent decision-making authority; it functions as a preparatory body,

and the matters it addresses are brought to be decided on by the Board of Directors.

- Harvia Group's CEO and the Group Management Team are responsible for the implementation of the strategy and the Sustainability Program and supervision of the achievement of targets. 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 by the Sustainability Steering Group and approved by the Board of Directors. 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. 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 the Sustainability Policy and other applicable sustainability principles, Harvia Group's values, existing sustainability commitments and Code of Conduct and all applicable laws and regulations.

According to the provision of the group-wide Sustainability Policy, Harvia Group annually conducts the double materiality assessment, pursuant to which it assesses its own and its value chain's impacts, risks, and opportunities. The double materiality assessment that shall be performed annually estimates the effectiveness of the measures taken to fulfill, for

example, established plans, procedures, and controls as well as set targets and metrics. The Sustainability Policy also sets forth general guidelines for Harvia Group's due diligence processes.

Sustainability-related risks are regularly handled by the Audit Committee as part of the risk management protocol. The topics are proposed by the management based on their continuous risk evaluations. The topics vary and can concern e.g. cyber risks or product liability issues. Impacts and opportunities are handled at least annually, but also as needed.

When necessary, the Group Management Team proposes updates and revisions to the Sustainability Program and sustainability targets to the Board of Directors of Harvia Plc.

Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

As stated before, the Board of Directors of Harvia Plc reviewed and approved the double materiality assessment, conducted by Harvia's sustainability reporting management, Sustainability Program commitment owners, experts of material topics and local operations, and an external consultant, in January 2024. The double materiality assessment was supplemented by an IRO assessment which was approved by the Board of Directors in November 2024. The IRO assessment is described in the table set out in the Material Impacts, Risks and Opportunities section. The revisions of the assessments will be done at least annually and if significant changes occur.

During 2024, the Board of Directors also approved the group-wide Sustainability Policy which establishes

the framework for sustainability governance and reporting at Harvia Group.

Sustainability-related matters are monitored on an ongoing basis. The Sustainability Steering Group convenes quarterly and reports the progress of sustainability matters to the Group Management Team.

According to the Sustainability Policy, CEO of Harvia Group, on behalf of the Group Management Team, reports to the Board of Directors on the progress of implementing the Sustainability Program on a case-by-case basis.

Evaluation of impacts, risks, and opportunities is an integral part of decision-making process. On a general level, impacts, risks and opportunities evaluation is constantly present and part of everyday business, and it is not only limited to business topics but also includes sustainability-related matters. In projects and decisions with substantial business or sustainability impacts, risks are always assessed on a case-by-case basis. Scenarios and analyses are conducted if found relevant to the case at hand. The Group Management Team has reviewed the Enterprise Risk Management (ERM) process, which incorporates the impacts, risks and opportunities. The Audit Committee discusses risks in each meeting; thus, the most relevant risks were covered during the year.

Sustainability-related remuneration

Harvia Group has sustainability-related performance metrics as part of incentive schemes of Harvia remuneration to ensure alignment with its strategy, supporting the long-term profitability and competitiveness and with Harvia's long-term sustainability targets.

Sustainability-related remuneration is included in the Long-Term Incentive (LTI) Program, which is applied to the Harvia Group CEO, Management Team and certain other key employees. The Performance principles and metrics are the same for all.

Long-term remuneration

The LTI performance periods cover three years. For the reporting year 2024, three LTI Programs with sustainability-related remuneration were active: 2022-2024, 2023-2025 and 2024-2026. Harvia’s CEO Matias Järnefelt is covered by the ongoing performance periods 2023-2025 and 2024-2026.

The performance criteria for the LTI Program’s sustainability target include reducing scope 1 and scope 2 GHG emissions during the performance period, indexed against the year preceding the performance period. The index is calculated in relation to sales volumes (quantity). Harvia has set minimum, target and maximum index and the actual payout is a linear curve between minimum and target, and target and maximum. There is a predefined maximum number of shares to be paid, and the maximum reward is earned when the maximum target is reached.

The active sustainability-related performance periods:

Performance period	Performance criteria related to sustainability	Base-line year	Target	Proportion of total remuneration
2022-2024	Scope 1 & 2 GHG emission reduction index in relation to sales volumes	2021	-23.1%	15%
2023-2025	Scope 1 & 2 GHG emission reduction index in relation to sales volumes	2022	-23.1%	15%
2024-2026	Scope 1 & 2 GHG emission reduction index in relation to sales volumes	2023	-10%	10%

For each performance period, the Board of Directors will make a separate decision on the plan participants, performance criteria, and related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment.

The remuneration and incentive schemes of the Board of Directors of Harvia Plc are based on the resolution of the General Meeting of Harvia Plc regarding remuneration of the Board members. The resolution is based on the proposal of the Shareholders’ Nomination Board to the General Meeting.

The Board of Directors of Harvia Plc determines the salary, bonuses, and other benefits of the CEO.

Due diligence

The process of due diligence and the principle of continuous improvement is applied in several operations affecting environment, people and governance, such as in working conditions, safety, quality and efficient operations, including energy efficiency.

Harvia Group strives to strengthen its practices and has put in place processes to identify and engage with employees and suppliers to mitigate the risk of environmental, social, and governance impacts. The process is guided by Harvia’s policies and internationally recognized frameworks, such as the Organization for Economic Co-operation and Development, OECD, Guidelines for Multinational Enterprises and the OECD Guidelines for Good Corporate Governance, to which Harvia is committed.

Harvia Group acts on findings from its due diligence and mitigation work together with its employees and suppliers to remedy any possible negative impacts. As a last resort, if a supplier is non-responsive and remediation cannot be achieved, Harvia Group may terminate the commercial relationship. The selection of new suppliers, as well as decisions to continue existing business relationships, is influenced by the results of the mitigating actions.

Whistleblowing mechanisms are in place so that anyone can inform their observations or concerns about serious risks of wrongdoing affecting Harvia Group’s or its partners’ people, organization, society or the environment.

Examples of how due diligence process is integrated into the following sections and topics of this sustainability statement:

E1 - GHG calculations: To ensure the accuracy of the GHG emission calculations there are internal guidelines, instructions and training, as well as internal control in checking the calculations and data accuracy. The calculations are compared to the previous years which potentially unveils errors.

E1 - Energy consumption: The energy consumption of all Harvia's manufacturing locations is monitored online. If the reports show e.g. a peak in electricity consumption, measures to discover the cause and remediate the situation are started.

E5 - Selection of suppliers: Sustainability of material inflows is part of decision-making factors when selecting suppliers.

G1 - New suppliers: New suppliers are required to commit to Harvia Supplier Code of Conduct, and they are visited according to Harvia's guidelines to ensure compliance.

G1 - Whistleblowing: An anonymous whistleblowing channel is available for all to report on risk of possible violation of Harvia Code of Conduct.

A more detailed mapping, indicating where information about Harvia's due diligence process and its core elements is presented within this Sustainability Statement, can be found in [Appendix 1](#).

Risk management and internal controls over sustainability reporting

Harvia's sustainability reporting complies with the EU's CSRD and the company's group-level principles and processes for statutory reporting, risk management, and internal control. The principles of internal control and risk management for sustainability reporting are aligned with those for financial reporting, ensuring consistency in the processes used for both. The principles, instructions, practices and areas of responsibility are aimed at ensuring that the company's sustainability reporting is reliable and that the Sustainability Statement has been prepared in

accordance with applicable laws, regulations and the company's operating principles.

Harvia's sustainability reporting is supervised on two levels: at the company level and the Group level. At the company level, the quality and validity of the data are checked and analyzed before reporting to the Group level. The Group level has control measures to review and validate the data before it is used for Harvia Group's sustainability reporting. Centralized reporting and sustainability data management ensure consistent data collection across the Group companies. The Audit Committee of the Board of Directors is responsible for overseeing the sustainability reporting process and receives regular reports on the status and findings of sustainability reporting.

The internal control of Harvia's sustainability reporting relies on identifying and analyzing risks, focusing on the most material risks identified, and ensuring that effective control practices are in place. The risks identified regarding sustainability reporting include accuracy and availability of data especially regarding value chain, completeness of the data and timely reporting. To ensure reliable, accurate and timely data, Harvia has adopted processes and internal controls as part of the company's business processes to address and follow up on the level and quality of the data. Comprehensive understanding of the business, operational activities and local aspects related to various sustainability topics together with internal reviews, consultations and internal controls helps to ensure the completeness of the data reported. Systematic reporting on a regular basis (annual, quarterly or monthly depending on the specified schedule for each data type) ensures the continuous improvement of the accuracy and availability of the data. Harvia's tools of internal control include internal

guidelines and instructions. Additionally, internal control is implemented through various monitoring reports and meetings. Harvia continuously evaluates and improves its reporting and internal control framework and processes. Manual controls as well as controls built into the systems for ESG data will be developed to ensure data accuracy and completeness.

Harvia is committed to ensuring the accuracy of its sustainability reporting.

Strategy, business model and value chain

Harvia has grouped its significant product and service offering based on the following categories, percentage of revenue in brackets: heating equipment (54%), saunas and Scandinavian hot tubs (27%), accessories and heater stones (7%), steam products (6%), as well as spare parts and services (7%). The company uses this grouping in its financial reporting, but also for internal purposes, for which the company has also more granular groupings. During the reporting period, Harvia acquired 100% of the shares of ThermaSol Steam Bath LLC, a leading manufacturer of high-end steam showers and steam rooms in the United States. After the acquisition, steam products became the third largest product group in Harvia's portfolio in terms of revenue in the last quarter of 2024. Harvia's products are sold in approximately 90 countries all over the world.

Harvia is not aware of any bans related to any of its products or services in any of its operating countries. Here, it is considered that bans do not include typical, often market-specific regulation involving technical and product feature requirements and restrictions that limit the usage of some of the company's products in some of its operating countries, especially without proper product localization and technical certification.

Since 1 January 2024, Harvia has had four geographical sales regions, which are North America, Northern Europe, Continental Europe, and Asia-Pacific & MEA (Middle East & Africa). In those markets, Harvia offers sauna and spa solutions to professionals and consumers alike. These markets are in line with the company’s sales reporting.

The total headcount of Harvia Group employees is 696. The personnel is distributed as follows:

Finland	255
United States	145
Germany	125
Romania	61
China and Hong Kong	56
Austria	34
Italy	12
Estonia	6
Sweden	2

Total revenue for financial year 2024 was 175.2 million euros.

STRATEGY

Harvia Group’s strategy and several sustainability-related goals are well connected and aligned. Harvia’s strategic role is **shaping the global sauna market so that everyone has a reason to experience sauna**, its health benefits, the enjoyment and entertainment. Harvia has taken an active role in raising awareness of sauna and its health benefits.

Harvia aims to **deliver the full sauna experience** and enables that by bringing new solutions and innovations to meet the needs of different sauna cultures. From

the sustainability point of view, this means educating people about the sauna, especially the right way of using different saunas, and introducing new energy-efficient innovations, such as off-grid sauna with solar panels.

Winning in strategically important markets relates to the company’s global reach and position as the market leader, also in the field of sustainability.

The focus area **‘Leading in key channels’** is about mastering the “Right product through right channel” approach and being the best long-term partner for B2B customers and strengthening the role of direct-to-consumer sales. In addition, Harvia supports the consumers and end-users throughout the product lifecycle.

Best in class operations & great people are the basis for Harvia’s success. The wellbeing of the employees and partners alike is of great importance. This is stated in the company’s Code of Conduct which also considers the human rights perspective. From the production and product point of view, the operational efficiency covers both the company’s resources and energy efficiency, the latter being important also for the consumers and end-users.

Harvia’s largest product groups are ‘heating equipment’ and ‘saunas and Scandinavian hot tubs’, even though the company also offers various other sauna and spa solutions and services. Harvia puts strong effort in reducing the environmental footprint of its products throughout the product lifecycle as well as ensuring their safe use, the latter being considered in both product design as well as customer and end-user training. Developing innovative products contributes both to the company’s environmental targets and the

strategic target of shaping the sauna market so that everyone has a reason to experience sauna. In addition, Harvia aims to increase people’s awareness of sauna and its health benefits globally, which contributes to both its strategic target of ‘Winning in strategically important markets’ as well as its sustainability goals, e.g. ‘For good and healthy living’.

Harvia Group has a growth strategy, and it operates globally. Due to the growth, the company’s sustainability impacts, both negative and positive, are likely to increase in absolute terms. Upholding the continuous improvement of the company’s production processes and operations as a whole is highly important from both efficiency and sustainability point of view. In addition, developing more sustainable products is a key factor for sustainability, strategy and differentiation. This may include making the current offering more sustainable but also developing completely new products, such as digital solutions.

As Harvia Group aims to grow especially in markets where sauna and its health benefits are not widely known, educating customers and end-users on sauna and its health benefits as well as instructing them on the right and safe use of the products is increasingly important.

BUSINESS MODEL

Harvia’s business model focuses on manufacturing and supplying sauna products, accessories, digital services and full solutions. Environmental and safety perspectives are considered in the product lifecycle, from design to production, sourcing, logistics, use and recycling.

Harvia’s business model relies on a range of inputs, including raw materials, energy, people, financial

resources, intellectual property, and digital technologies. The availability of these inputs is secured and developed by supplier and partner management, research and development (R&D), production, product differentiation and distribution.

Harvia's outputs and outcomes for customers are to produce sauna and spa products & solutions, and well-being experiences, produced with consideration for environmental, social, and governance matters. In addition, Harvia seeks to increase knowledge of safe use of its products and to encourage customers to use its products in a more sustainable manner and instructs, for instance, about the energy efficient ways of using electric heaters.

Harvia's outputs and outcomes for investors and society are to create economic value in many ways, such as by paying dividends to its shareholders, paying taxes on profits of its business operations, and creating jobs.

Harvia promotes driving the sauna industry towards more sustainable production and use of sauna and spa products, for instance, by innovating solar-powered saunas and optimizing materials used in operations and product design.

VALUE CHAIN

In the sauna and spa industry, Harvia acts as an active market maker, inspirer, innovator, manufacturer, educator, and trainer. Harvia can impact environmental and social matters by product innovation and production, selection of suppliers and business partners, and educating on a more sustainable way to use sauna and spa.

Harvia's upstream value chain consists of suppliers' and business partners' operations, for instance, manufactures

of raw materials (steel, wood, stone) utilized in Harvia's products, and transportation service providers.

Harvia's downstream value chain consists of end-users and consumers. Harvia supports the end-users and consumers throughout the product lifecycle, for instance by providing product support and a wide range of spare parts for the sauna products.

Consideration of interests and views of stakeholders

Harvia Group actively engages with its stakeholders to receive insights and feedback to direct its strategic planning and risk management processes, sustainability work and development, especially related to the sauna and spa industry, due diligence processes, goal-setting and enhanced understanding of stakeholders' needs and expectations.

Better understanding of stakeholders, their needs and expectations and possible concerns, enables Harvia to continuously enhance its performance and to receive information for assessment of impacts, risks, and opportunities related to environmental, social and governance aspects.

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.

Stakeholders' views and opinions on Harvia's impacts, risks, and opportunities related to environmental, social and governance topics have been considered in the Harvia Group's double materiality assessment conducted to understand their expectations and involving them in defining material topics.

Harvia Group's most important stakeholders are employees, consumers and end-users, customers and partners, suppliers, workers in the value chain, owners, investors and board, media and influencers, authorities, and universities.

Harvia has identified important themes for each stakeholder group and the business units that carry out stakeholder engagement activities at Harvia Group. Such stakeholder engagement activities include, for example, the following:

- Employees - People Power Survey (job satisfaction survey) and initiative and feedback channels
- Consumers and end-users - customer service, feedback and contact forms on websites
- Customers and partners - customer satisfaction surveys, training, customer visits
- Suppliers - supplier visits and audits, cooperation projects
- Owners, investors and board - meetings, reports and releases
- Media and influencers - events
- Authorities - contribution to industry standardization
- Universities - joint research and development projects

The input from the stakeholder engagement informs strategic decision-making, particularly in areas such as innovation and offering, operational improvements, and regulatory compliance.

In addition, Harvia has supported its key customers and institutional investors in compiling sustainability-related information for their own reporting purposes.

In the double materiality assessment, Harvia gained deeper understanding of stakeholder views and

interest, which gives Harvia confidence that its updated strategy and business model is aligned with stakeholder expectations. Engaging with stakeholders is continuous work and stakeholders' views and interests will be taken into account in business development. Harvia will review the double materiality and IRO assessments and start working on the Sustainability Program for 2026 onwards in 2025. Stakeholders will be involved in the processes to gain their views.

A summary of the sustainability topics that stakeholders deemed material for Harvia Group in the double materiality assessment were included in the information shared with the Board of Directors as part of the Double Materiality Report.

Material impacts, risks and opportunities

Harvia Group's current Sustainability Program for 2022-2025 is in line with Harvia's business model and strategy. The key elements of the Sustainability Program are a commitment to promoting a long and good life, providing safe and sustainable experiences, minimizing the carbon footprint and ensuring the well-being and safety of key stakeholders.

Harvia has assessed the current and anticipated effects of the material impacts, risks and opportunities on its business model, value chain, strategy and decision-making and came into conclusion that there is no need to amend the current strategy or business model further than outlined in Harvia's updated strategic focus areas on 29 May 2024. All material impacts, risks and opportunities are or will be addressed through applicable actions. For instance, Harvia will draft a climate transition plan in 2025 to develop a detailed plan to achieve its aspirational long-term target related

to climate change and will invest in R&D to develop new innovations.

Harvia's strategy and business model is resilient against identified and assessed sustainability-related impacts and risks described in the table in this section. Harvia's business is today global and key market areas are widely spread, which reduces the geographical risk. Harvia will also continue to strengthen its position further in multiple different regions and areas to drive growth. The company's in-house expertise, experience, and knowledge of the sauna industry is an advantage in utilizing opportunities, but also providing continuity and agility, in the event of unforeseen situations. Long-term relationships with key suppliers and customers provide stability and flexibility in a balanced manner. Harvia also has financial resilience from growing profitably both organically and inorganically. These examples of resilience are considered on all time horizons.

DESCRIPTION OF THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

As a result of the double materiality assessment and the supplementary IRO assessment, Harvia Group has deemed the impacts, risks, and opportunities described on the following pages to be material to its own and/or upstream/downstream business activities.

When the impacts, risks and opportunities are presented on the same rows, the impact and risk or opportunity are directly or indirectly linked to each other. The connection is described in the Risk or Opportunity column. All impacts, risks or opportunities do not have this kind of connection. The materiality of the sustainability matter, based on the impact or financial materiality, has been evaluated separately, but considered in the thresholds, that the sustainability matters defined as material represent a truthful

sustainability materiality entity for Harvia Group, its business and value chain. The process of identifying the material impacts, risks and opportunities is described in section "Description of process to identify and assess material impacts, risks and opportunities".

Many of the material impacts identified and assessed originated from or are connected to Harvia's strategy and business model. Most of the material impacts originate from or are connected to Harvia's strategy, such as material impacts related to product development, own workforce and value chain workers. The following impacts originate from or are connected to Harvia's business model: emissions and energy consumption, use of natural resources and raw materials, and waste generation. The strategy and principles presented in the following table describe how impacts are reflected in Harvia's strategy and principles. None of the potential negative impacts originate from Harvia's strategy or are in relation to Harvia's business model. Rather, the strategy and principles describe how Harvia seeks to address the negative impact and energy consumption, use of natural resources and raw materials, and waste generation.

The vast majority of Harvia's identified material risk and opportunities do not cause current financial effects as most of them are considered potential. When an actual risk or opportunity has significant financial effects, they are described together with the risk or opportunity in the table below.

E1 Climate change

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time-horizon	Harvia's response to material impacts, risks and opportunities
<i>Climate change mitigation</i>	Actual & Negative: GHG emissions from Harvia Group's own operations (scope 1 & 2) have negative impact to climate change.	Impact from Harvia. Affects everyone.	Effective operations including continuously developing the sustainability of Harvia's operations and value chain serves as a basis for Harvia's strategic focus areas.	Opportunity: Harvia sees reducing the GHG emissions from its own operations as an opportunity to limit global warming and contribute to global efforts in safeguarding the environment. Driving the change in the industry may create business opportunities.	Long-term	<ul style="list-style-type: none"> - Energy consumption monitoring and action based on that - New investments to transition from fossil fuels to emission free energy (Kirami & EOS) - Climate change transition plan (to be drafted in 2025)
<i>Climate change mitigation</i>	Actual & Negative: GHG emissions from Harvia Group's upstream and downstream value chain (scope 3) have negative impact to climate change.	Impact from the entire value chain and affects everyone.	Sustainability Program Commitment #3: "For minimizing our environmental footprint". Aspirational long-term goal related to the commitment: Minimizing emissions.	Opportunity: Harvia, as an industry leader, has the potential to drive change by offering sustainable products, cooperating with partners to develop and utilize sustainable solutions in the value chain and setting a positive example for others in the sector. Harvia shall also guide end-users on how the products are used to minimize the climate impacts.	Long-term	<ul style="list-style-type: none"> - Partnerships with key suppliers and service providers who take their ESG impacts into account - Development of energy efficient & climate friendly solutions - Guidance on sustainable use of the products
<i>Climate change mitigation & energy</i>	Actual & Negative: Energy use from fossil fuels have negative impact to climate change.	Impact from Harvia. Affects everyone.		Risk: Renewable energy is not available in all locations, or it is regulated in a way that may affect profitability.	Medium-term	<ul style="list-style-type: none"> - Use of emission free energy, when the option is reasonably available - Energy use optimization

E1 Climate change

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time-horizon	Harvia's response to material impacts, risks and opportunities
<i>Climate change mitigation</i>	Actual & Positive: Increased availability of products with reduced environmental impact to mitigate climate change and limiting use of natural resources.	Harvia from the development side and customers and end-users when the product is on the market.	Strategic focus area: Delivering the full sauna experience: New innovations to the market. Sustainability Program Commitment #2: "For sustainable experiences & enjoyment", with investing in R&D of products that reduce emissions and optimize energy consumption.	Opportunity: The products are designed to be durable, repairable, and Harvia offers spare parts services for them. Another significant factor is the good recyclability of both the materials used in the products and the product itself. Harvia conducts ongoing development and research to develop energy-efficiency in products and to develop solutions that take climate matters into account. Current financial effect: Harvia invested 310 000 euros in the development of control units which will contribute to energy saving and promote the identified opportunity.	Medium-term	<ul style="list-style-type: none"> - Sustainable product lifecycle - Repairability and spare parts - Development of energy efficiency and solutions that take climate aspects into consideration, such as an off-grid, solar panel equipped sauna
<i>Climate change mitigation</i>	Potential & Negative: Regulation changes and compliance gaps impact stakeholder confidence.	Impact from Harvia. Affects customers, end-users, investors, authorities, etc.		Risk: Regulation and customer expectations for lower climate impact products increase. Possible gaps between complying with new regulation and customer expectations pose a risk and will require extra effort.	Medium-term	<ul style="list-style-type: none"> - Active involvement in industry standardization internationally through research projects and committees - Development of energy efficient and climate friendly solutions together with partners - Regulatory compliance
<i>Climate change mitigation</i>	Potential and Positive: Regulation changes and meeting the requirements and expectations builds trust for stakeholder.	Impact from Harvia. Affects customers, end-users, authorities, investors, etc.		Opportunity: Regulation and customer expectations for lower climate impact products increase. Meeting the expectations and having regulatory compliant solutions globally available gives Harvia a competitive edge.	Medium-term	<ul style="list-style-type: none"> - Active involvement in industry standardization internationally through research projects and committees - Development of energy efficient and climate friendly solutions together with partners - Regulatory compliance
<i>Climate change mitigation & energy</i>	Potential & Negative: Customer needs or expectations not met may lead to changing customer behavior.	Impact from Harvia. Affects customers and end-users.		Risk: Energy availability and energy price changes as well as acute weather hazards may have impact on consumer confidence and frequency of sauna use and result in changing customer behaviour.	Long-term	<ul style="list-style-type: none"> - Development of innovations enhancing health and well-being - Development of energy efficiency and solutions that take climate aspects into consideration - Guidance on sustainable use of the products - Scientific studies and promoting health benefits of sauna
<i>Climate change adaption</i>	-			Risk: Operational disruptions and exceptional situations (e.g., due to extreme weather conditions resulting from climate change) may cause potential availability issues from suppliers. The rapidly changing market conditions of the past years have proven that Harvia has a strong ability to ensure availability. Harvia's own operations are not in high-risk areas.	Long-term	<ul style="list-style-type: none"> - Long term supplier relationships - Resilient supply network with backup supplier system for materials - Flexibility and capability of own operations as back up for supplier availability issue

CLIMATE-RELATED RISKS

The climate-related risks assessed to be material for Harvia, in its own operations or in the value-chain, were divided into physical and transition risks.

Physical risks including possible acute or chronic physical climate impacts, such as extreme weather conditions and rising sea levels which could disrupt operations, supply chain, energy availability and cost as well as infrastructure.

Transition risks including possible regulatory and customer expectation changes, availability of energy and low-emission solutions as well as stakeholder expectations.

The climate-related material risks are listed below with the explanation whether the risk is a climate-related physical risk or a climate-related transition risk:

Harvia's climate-related material risks	Climate-related transition or physical risk
Renewable energy is not available everywhere or it is regulated in a way that may affect profitability.	Transition risk
Energy availability and energy price changes as well as acute weather hazards may have impact on consumer confidence and frequency of sauna use.	Transition and physical risk
Possible gaps between complying with new regulation and meeting customer expectations for lower climate impact products efficiently.	Transition risk
Harvia could be exposed to availability issues from suppliers regarding raw materials due to acute events resulting from climate change. Extreme weather events could also have an impact on suppliers' operations and ability to deliver as expected.	Physical risk

The description of the general process for identifying and assessing the impacts, risk and opportunities is found in section "Description of process to identify and assess material impacts, risks and opportunities" and the process for specifically identifying and assessing climate-related risks is in the section "Description of the process to identify and assess material climate-related impacts, risks and opportunities".

E5 Resource use and circular economy

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time- horizon	Harvia's response to material impacts, risks and opportunities
<i>Resource inflows & Resource outflows, including resource use</i>	Actual & Positive: Sustainable material choices and optimization of materials - reducing environmental impact.	Impact from Harvia.	Effective operations including continuously developing the sustainability of Harvia's operations and value chain serves as a basis for Harvia's strategic focus areas.	Opportunity: Harvia can impact material choices towards more sustainable options and limit the use of natural resources. Impact is also financial by savings from material purchases as well as from image and reputation perspective. Harvia considers also the recyclability and circularity of the materials at the end of the product lifecycle.	Medium-term	<ul style="list-style-type: none"> - Sustainable and efficient use of materials in product design and manufacturing - Sustainable material choices
<i>Resource inflows & Resource outflows, including resource use</i>	Actual & Positive: Responsible use and sourcing of natural resources and raw materials.	Impact from Harvia and suppliers.	Harvia Sustainability Program Commitment #2: "For sustainable experiences & enjoyment". Aspirational long-term goal related to the commitment: 100% sustainably sourced.	Opportunity: There are typically many types of material and supplier options available. Making sustainable decisions in relation to materials and suppliers to promote sustainable business.	Medium-term	<ul style="list-style-type: none"> - Key suppliers' commitment to sustainability by committing to Harvia Supplier Code of Conduct - Sustainable material choices
<i>Resource inflows including resource use</i>	Actual & Negative: Use of natural resources and raw materials.	Impact from Harvia and suppliers.		Risk: Natural resources and non-recyclable content in raw materials will always be needed to some extent. Possible increase in raw material prices or the higher cost of sustainable materials may have an impact on profitability. Possible limitations in the availability of more sustainable materials or suppliers may also have a negative impact on ensuring uninterrupted operations.	Medium-term	<ul style="list-style-type: none"> - Long term supplier relationships - Key-suppliers commitment to sustainability - Good supply network with backup supplier system for materials
<i>Waste</i>	Actual & Negative: Generation of waste.	Impact from Harvia.		-	Short-term	<ul style="list-style-type: none"> - Minimizing non-recyclable waste - continuous improvement - Recycling
<i>Resource outflows, including resource use</i>	Actual & Positive: Measures to extend product lifecycle and reduce emissions.	Impact from Harvia. Affects customers and end-users.	Strategic focus area: Leading in key channels - supporting the end user throughout the product lifecycle.	Opportunity: Creating circular economy business by providing services to extend product lifecycle and reducing emissions by circularity of the materials.	Medium-term	<ul style="list-style-type: none"> - Product design and guidance ensuring good maintenance, service and repairability - Offering spare parts and maintenance services - Guiding on recyclability
<i>Resource inflows & Resource outflows, including resource use</i>	Actual & Positive: Drive sustainability forward through sustainable products and innovations reduces environmental impacts such as GHG emissions and use of natural resources.	Impact from Harvia. Affects customers and end-users.	Strategic focus area: Increasing the sales of comprehensive systems and solutions: new innovations to the market Harvia Sustainability Program Commitment #2: "For sustainable experiences & enjoyment", with investing in R&D of products that reduce emissions and optimize energy consumption.	Opportunity: Development of innovations that enhance health and well-being, as well as energy-efficient and sustainable technologies, drives sales and positions Harvia as a leader in innovation and sustainable solutions.	Medium-term	<ul style="list-style-type: none"> - Development of innovations that enhance health and well-being - Development of energy efficient solutions that take into account climate aspects

S1 Own workforce

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time- horizon	Harvia's response to material impacts, risks and opportunities
<i>Working conditions & Equal treatment and opportunities for all</i>	Actual & Positive: Good working conditions, job satisfaction, equal opportunities & long-term employment.	Impact from Harvia to employees.	Efficient operations & skilled staff: Developing employee capabilities for future success and fostering a supportive work environment serve as a basis for Harvia's strategic focus areas. Harvia Sustainability Program Commitment #4: "For safe and warm community". Aspirational long-term goal related to the commitment: Zero-accidents.	Opportunity: A key factor behind Harvia's success is the skilled and motivated personnel, whose well-being the company looks after. Key sustainability elements related to personnel include promoting well-being and job satisfaction, attracting and retaining talent, respecting the rights of employees, and health and safety at work.	Medium-term	<ul style="list-style-type: none"> - Building employee capabilities for future success, enabling people to thrive at Harvia - Assuring work-life balance, e.g., by remote work possibility (depending on work task) - Code of Conduct - Personnel forum - Work safety committee - Group-wide employee surveys - Continuous competence improvement - Employee benefits
<i>Working conditions & Equal treatment and opportunities for all</i>	Potential & Negative: Working conditions and opportunities not meeting employee expectations.	Impact from Harvia to employees.		Risk: Inability to attract, retain and motivate qualified individuals in key roles and unsuccessful career planning may have a negative impact on the company's business and employer brand. Differences in cultures that impact HR topics.	Medium-term	<ul style="list-style-type: none"> - Developing Harvia's employer image - Career paths - Group HR
<i>Working conditions: Health and Safety</i>	Potential & Negative: Health and safety incidents.	Impact from Harvia to employees.		Risk: Possible work incidents or other health related issues may have a negative impact on the company's performance, business and employer brand. Current financial effect: Harvia invested approximately 45 000 euros in safety equipment, safety gear and improving working environment to mitigate the risk.	Short-term	<ul style="list-style-type: none"> - Local legislation always obeyed - Safety training and close call reporting with continuous improvement - Health care; early support model - Investments in safety equipment and machinery - Increasing employees' safety awareness

S2 Worker's in the value chain

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time- horizon	Harvia's response to material impacts, risks and opportunities
<i>Working conditions</i>	Potential & Negative: Working conditions or work-related rights of the value chain not up to requirements or expectations.	Requirements and expectations from Harvia as an impact from Harvia to the suppliers and their suppliers when applicable. Suppliers impact their employees and indirectly also Harvia.	Efficient operations & skilled staff: Developing employee capabilities for future success and fostering a supportive work environment serve as a basis for Harvia's strategic focus areas. Harvia Sustainability Program Commitment #4: "For safe and warm community".	Risk: Possible violations of adequate and expected working conditions of the value chain. May pose a possible reputation damage and affect consumer and investor behavior.	Medium-term	<ul style="list-style-type: none"> - Harvia Supplier Code of Conduct - Supplier audits and assessments - Supplier management and cooperation - Long-term supplier partnerships
<i>Working conditions</i>	Actual & Positive: Promoting good working conditions in the value chain.			Opportunity: Exposing the value chain to Harvia's expectations and requirements of good working conditions to retain and develop mutual sustainable long-term business partnership.	Medium-term	<ul style="list-style-type: none"> - Harvia Supplier Code of Conduct - Supplier audits and assessments - Supplier management and cooperation - Long-term supplier partnerships
<i>Other work-related rights</i>	Actual & Positive: Promoting work related rights (child labor, forced labor).			Opportunity: Harvia is strictly against child labor and forced labor and requires its suppliers to comply with this. Exposing the value chain to Harvia's expectations and requirements of work-related rights to retain and develop mutual sustainable long-term business partnerships.	Medium-term	<ul style="list-style-type: none"> - Harvia Supplier Code of Conduct - Supplier audits and assessments - Supplier management and cooperation - Long-term supplier partnerships

S4 Consumers and end-users

Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time- horizon	Harvia's response to material impacts, risks and opportunities
<i>Personal safety of consumers and/or end-users</i>	<p>Actual & Positive: Safe, high-quality products and services promoting overall health and wellbeing of consumers and end-users.</p> <p>Potential & Positive: Increased knowledge of safe and sustainable use of Harvia products and sauna.</p>	Impact from Harvia to customers and end-users.	<p>Strategic role of Harvia: "Shaping the global sauna market so that everyone has a reason to experience sauna."</p> <p>Increasing the sales of comprehensive systems and solutions.</p> <p>Driving growth in strategically important markets.</p>	<p>Opportunity: The well-being effects of heat are the purpose of Harvia's business. Harvia is known to have safe products with excellent price-quality ratio. The trust in Harvia products and solutions promotes long-term customer relationships and good reputation. Increasing demand for sustainable products. Providing and actively sharing guidance to end-users in the responsible, safe and sustainable use of Harvia's products creates a positive and reliable image of the company.</p>	Medium-term	<ul style="list-style-type: none"> - Product design & testing to ensure safety - Product quality and safety assurance - Compliance with product standards - Guidance on safe and sustainable use
<i>Personal safety of consumers and/or end-users</i>	<p>Potential & Negative: Potential deviations in product quality that may affect safe use of products and services.</p>	Impact from Harvia to customers and end-users.	<p>Leading in key channels.</p> <p>Harvia Sustainability Program Commitment #1: "For good and healthy living".</p>	<p>Risk: A possible failure to meet product safety and quality standards leading to e.g., potential accidents and loss of positive reputation.</p>	Short-term	<ul style="list-style-type: none"> - Product design & testing to ensure safety - Product quality and safety assurance - Compliance with product standards - Guidance on safe and sustainable use
<i>Social inclusion of consumers and/or end-users</i>	<p>Actual & Positive: Social inclusion of consumers and/ or end-users.</p> <p>Actual & Positive: Access to products and services.</p>	Impact from Harvia to customers and end-users.	<p>Aspirational long-term goal related to the commitment: Everyone with access to sauna.</p> <p>Harvia Sustainability Program Commitment #2: "For sustainable experiences & enjoyment".</p>	<p>Opportunity: "Sauna for everyone" is one of the targets of Harvia, which relates to access to products and services. Harvia's mission is to inspire people around the world to experience healing with heat.</p>	Medium-term	<ul style="list-style-type: none"> - Globally operating business - Products and services to all - Harvia customers and partners offer public opportunities to enjoy the sauna - Solutions for all, e.g. wide price range and easy access saunas for people with disabilities (SmartFold).
<i>Personal safety of consumers and/or end-users</i>	<p>Actual & Positive: Personal safety of consumers and/ or end-users.</p> <p>Actual & Positive: Protection of children.</p>	Impact from Harvia to customers and end-users.		<p>Opportunity: The safe use and safety of Harvia products covers all users but Harvia also specifically increases the knowledge of safe use of Harvia's products considering minors. Safety functions in Harvia's products and accessories especially designed for child safety.</p>	Medium-term	<ul style="list-style-type: none"> - Compliance with product standards - Guidance on safe use - Accessories and product functionalities for increased safety, e.g. safety railings and child-lock function
<i>Social inclusion of consumers and/or end-users</i>	<p>Actual & Positive: Non-discriminating and inclusion promoting marketing.</p>	Impact from Harvia to customers, end-users and people exposed to Harvia marketing.		<p>Opportunity: Marketing of Harvia follows good marketing practices including truthful and accurate advertising, promoting diversity and inclusion and considering child protection.</p>	Medium-term	<ul style="list-style-type: none"> - Internal marketing material cross checking - Harvia code of conduct - Feedback mechanisms
<i>Information-related impacts for consumers and/or end-users</i>	<p>Potential & Negative: Potential customer data privacy breaches.</p>	Indirectly impact from Harvia to customers and end-users.	<p>Harvia Sustainability Program Commitment #4: "For safe and warm community".</p>	<p>Risk: The increase in cyber threats cause risks of possible disruption to Harvia's IT-systems and customer or end-user data breaches. The potential result may be financial or reputational damage.</p>	Short-term	<ul style="list-style-type: none"> - Commitment and processes to ensure customer data privacy - Continuous improvement of IT security and digital infrastructure

G1 Business Conduct						
Sub/sub-subtopic	Impact Actual or Potential & Negative or Positive	Concentration	Strategy and principles related to material impact	Risk or Opportunity & Current financial effect when applicable	Time- horizon	Harvia's response to material impacts, risks and opportunities
<i>Corporate culture</i>	Actual & Positive: Economic value creation for stakeholders as well as being an industry leader in sustainability builds trust among stakeholders.	Harvia's impact to all stakeholders.	Efficient operations and skilled staff: Deepening integration within Harvia Group to drive efficiency and growth.	Opportunity: Harvia creates value for stakeholders by doing sustainable and profitable business: Regulations leading to increasing demand for new, more sustainable products and business.	Medium-term	<ul style="list-style-type: none"> - Harvia Code of Conduct and responsible business - Commitment to employee well-being and satisfaction - Customer satisfaction survey
<i>Corporate culture</i>	Potential & Negative: Potential conflict between maximizing short-term performance and employee satisfaction or stakeholder expectations.	Harvia's impact to all stakeholders.	Developing employee capabilities for the future and supporting wellbeing and continuously developing the sustainability of Harvia's operations	Risk: Even though in the long run, sustainability is seen to be profitable, short-term expectations and changes in the market situation may lead to possible actions that temporarily impact employee satisfaction or prevent reaching short-term targets.	Medium-term	<ul style="list-style-type: none"> - Harvia Code of Conduct and responsible business - Commitment to employee well-being and satisfaction - Customer satisfaction survey
<i>Management of relationships with suppliers including payment practices</i>	Actual & Positive: Long-term relationships with Harvia suppliers and partners and together developing sustainability.	Harvia's impact to suppliers.	and supply chain, serve as a basis for Harvia's strategic focus areas.	Opportunity: Developing sustainability together on all ESG aspects - Bigger impact and opportunities together.	Medium-term	<ul style="list-style-type: none"> - Harvia Supplier Code of Conduct - Sustainability in business negotiations - Partnerships and long-term supplier relationships - Cooperation from education and development perspective
<i>Management of relationships with suppliers including payment practices</i>	Potential & Negative: Non-compliance with legislation, Harvia requirements or expectations in supply chain - impacts may cause e.g., environmental damage or human rights violations.	Harvia and its suppliers impact to wide range of stakeholders especially to employees, worker in the value chain, investors and society.	Harvia Sustainability Program Commitment #4: "For safe and warm community".	Risk: Possible violations of the Supplier Code of Conduct or other possible negative governance related impacts in supply chains causing not only possible damage to the environment, people or society in question, but may also damage Harvia's reputation.	Short-term	<ul style="list-style-type: none"> - Suppliers' commitment to Harvia Supplier Code of Conduct - Partnerships and long-term supplier relationships - Supplier visits, audits and assessments
<i>Corruption and bribery</i>	Potential & Negative: Failure to meet corruption or antibribery standards may lead to human rights violations and environmental harm through unethical business practices.	Harvia and its suppliers impact to wide range of stakeholders especially to employees, worker in the value chain, investors and society.		Risk: Possible violation of related laws, policies or ethics can generate significant business damage especially locally.	Short-term	<ul style="list-style-type: none"> - Training - Harvia Code of Conduct - Whistleblowing channel for reporting possible grievances
<i>Corruption and bribery</i>	Potential & Positive: Prevention of corruption and bribery in society.	Harvia and its suppliers impact to society.		Opportunity: Harvia promotes anti-corruption and bribery practices.	Medium-term	<ul style="list-style-type: none"> - Training - Code of Conduct training

Description of process to identify and assess material impacts, risks and opportunities

In 2023, Harvia started the double materiality assessment to identify the most significant sustainability topics for Harvia from two perspectives:

1. How Harvia Group's business and its value chain impact people, society or the environment (impacts in relation to ESG matters), which is the impact materiality.
2. Whether different aspects of sustainability generate risks or opportunities affecting Harvia Group's financial performance and business development, which is the financial materiality.

Both processes of defining impact materiality and financial materiality included the following steps, but the assessment for impact materiality and financial materiality was conducted separately:

1. Identification of impacts, risks and opportunities related to sustainability matters
2. Establishment of methodologies and prioritizing criteria
3. IRO assessment
4. Management of the impacts, risks and opportunities

1. IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES RELATED TO SUSTAINABILITY MATTERS

Harvia's business strategy, purpose and values as well as Harvia's previous materiality analysis were utilized as background sources for the mapping of topics and identification of impacts, risks and opportunities. Additionally, the risks and impacts recognized and assessed in Harvia's general risk management process were considered in the identification. The initial material topics were cross-checked against EU's CSRD and

ESRS. EFRAG's guidelines for conducting a double materiality assessment were utilized throughout the process. In addition, Harvia conducted a benchmark study on material topics.

Harvia's internal and external stakeholders were involved in the double materiality assessment process. Insights on Harvia Group's material sustainability impacts, risks and opportunities were collected first through an online sustainability survey targeted at the whole personnel and then via in-depth interviews with both external and internal stakeholders. The questions in the survey and interviews were derived from Harvia's previous materiality analysis and results of the benchmark study. The survey was answered by 300 Harvia employees. After gathering initial insights through the survey, Harvia validated the views on material impacts by conducting in-depth interviews with 12 individuals representing Harvia Group's management, business partners and suppliers, analysts, customers from key markets, and relevant associations. The interviews were also used to map ESG risks and opportunities. The interviewees were asked to assess the topics and their impact to Harvia now and in the future. Finally, the results of the survey and interviews were mapped against all of the sustainability matters under the ESRS standard. The feedback, insights and considerations from stakeholders have been taken into consideration in the results of the double materiality and IRO assessment.

The project team, consisting of fifteen members from Harvia's different functions and geographical areas, carried out an initial assessment of Harvia Group's material impact and the financial impact on Harvia Group in two workshops. The topics on which Harvia Group can have the greatest impact externally (impact on people, society and the environment) were further

evaluated by a core project team, and the significance of sustainability impacts, risks and opportunities at the different stages of Harvia Group's value chain was reviewed, as well as the stakeholders' main information needs. Affected stakeholders, meaning groups whose interests are affected or could be affected by Harvia's activities, were not directly involved in the workshops, but their views were taken into account.

After the initial assessment of the material impacts, risks and opportunities, Harvia deepened its insight of the impacts, risks and opportunities by describing them on a more precise level.

2. ESTABLISHMENT OF METHODOLOGIES AND PRIORITISING CRITERIA

The next phase in the double materiality assessment was to determine the methodology to prioritize the identified impacts, risks and opportunities. The IRO assessment started with the definition of numerical thresholds and criteria for the assessment.

For impact materiality, the assessment included the following dimensions: scale, scope, remendability and likelihood. At the same time, the assessment was complemented by dividing impacts into the following categories: positive or negative, actual or potential. Remendability was considered only for negative impacts and likelihood only for potential impacts. The severity was determined based on scale, scope and remendability. Any of these three dimensions can make a negative impact severe. If a potential negative human rights impact is identified, the severity of the impact takes precedence over its likelihood. The likelihood was determined in the same way as in Harvia's general risk management.

For financial materiality, the possible connections between the impacts and dependencies and the risks and opportunities were identified, and their effects on Harvia’s business development were described. It was also evaluated whether these were sources of risks or opportunities. The following dimensions were used in evaluating the financial materiality: the magnitude and likelihood of the financial effect. The assessment of financial materiality was based on the euro-denominated risk rating used in Harvia’s risk management process. The existence of dependencies on natural and social resources was considered in the qualitative assessment. The likelihood was determined in the same way as in Harvia’s general risk management.

The identified impacts, risks and opportunities were classified in line with the final topical sub-categories of the ESRS standards.

3. IRO ASSESSMENT

The prioritization of topics was based on the total numerical score resulting from the scores of the defined criteria and scoring formula. Harvia set thresholds to represent a sufficiently comprehensive set of sustainability topics and information for the company. Since there were four assessment categories for the impact assessment with different calculation formulas for the total score, Harvia ended up defining a set of four different thresholds for the impact assessment with following categories and calculation method:

- Actual & negative impact:
Scale + Scope + Remendability
- Actual & positive impact: Scale + Scope
- Potential & negative impact:
(Scale + Scope + Remendability) x Likelihood
- Potential & positive impact:
(Scale + Scope) x Likelihood

The financial materiality score was calculated by multiplying the potential magnitude of the financial effect by the likelihood. In addition to the threshold scores, Harvia used a qualitative assessment when necessary to prioritize impacts, risks and opportunities. Harvia took into account the information needs and views of key stakeholders on topics relevant to the company and evaluated and mirrored these views and needs against its own business and business relationships. Harvia used short- (1 year), medium- (1-5 years) and long-term (over 5 years) time horizons in its IRO assessment.

Impacts, risks and opportunities material to Harvia and the set thresholds were discussed and approved by Harvia’s Management Team, Audit Committee and Board of Directors.

Harvia’s material impacts, risks and opportunities related to the material topics as well as actions to manage these are described in the table included in section “Description of the material impacts, risks and opportunities” under the sub-section “Impacts, risks and opportunities”.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Description of the process to identify and assess material climate-related impacts, risks and opportunities

Harvia identified and assessed material climate-related impacts, risks and opportunities in its double materiality assessment. Harvia first evaluated its own business activities and their impacts (GHG emissions) against the GHG protocol. Harvia screened its own operations and their emissions. Based on the assessment, the total climate impact of Harvia’s own business activities is relatively low on a large scale

(approximately 2,000 tCO₂e per year), but it is still important to minimize the impact. Similar approach was used for upstream value chain evaluation based on estimated emission and for downstream based on the usage of Harvia products.

Harvia also used different scenarios in the IRO assessment phase. The scenarios were related for example to availability, price and type of energy and technology, regulatory changes, market shifts, and climate-related hazards, such as floods, heat stress, and storms and analyzed their probability to occur geographically in Harvia’s own operations and along the upstream and downstream value chain.

The potential climate-related hazards were assessed in accordance with the dimensions set out in the section “Establishment of methodologies and prioritizing criteria”. Harvia reflected the regional climate-related hazards to the locations where it operates globally and based on the location, history data and surrounding environment assessed these not to be material. However, in respect of potential climate-related hazards, the upstream value chain may face some potential climate-related hazards which might cause disturbances in supply chain due to various locations. Harvia has assessed that potential climate-related hazards are mitigated by having several suppliers for key components.

The IRO assessment also considered, on all time-horizons, whether there are risks arising from the physical impacts of climate change, i.e. physical risks, or whether there are risks associated with the shift towards a lower-carbon energy, i.e. transitional risks. In addition to the results of the IRO assessment, Harvia verified and supplemented the results in a resilience analysis performed after the IRO assessment. The resilience analysis is found under the chapter

ESRS E1 Climate Change, section “Transition plan for climate change mitigation”, where two long-term emissions scenarios by the Intergovernmental Panel on Climate Change (IPCC) climate scenarios were used. In the resilience analysis, the material climate-related risks were also divided into transitional and physical risks. This is presented in the section “Climate-related resilience analysis”. The climate-related resilience analysis supported Harvia’s risk management as the results of the analysis were well aligned with previously identified material climate-related risks.

Additionally, Harvia has assessed how transition events may affect its business and assets by using previously identified risks from its ERM, internal data, such as energy consumption and emissions, and stakeholder views. The assessment covered all assets and business activities of Harvia. Harvia identified the following transition events: possible changes in regulation, changing customer behavior, cost and availability issues related to lower-emissions technology, substitution of existing products and services with lower-emission options. Assessment was conducted by using the dimensions set out in the section “Establishment of methodologies and prioritizing criteria”.

Harvia has identified potential incompatibility of its operations in regions where emission-free energy is not freely available with transition to climate-neutral economy, but this will be further analyzed when drafting the climate transition plan. The climate-related risks have been identified prior to the IRO assessment in Harvia’s ERM process. The climate scenarios used and the risks identified in the IRO process, align well with the climate-related assumptions made in the Financial Statements. Harvia’s risk management covers all aspects of business, with climate-related resilience analysis being one element.

Harvia’s material impacts, risks and opportunities related to climate change as well as Harvia’s response to manage them are described in the table included in section “Description of the material impacts, risks and opportunities” under the sub-section “Impacts, risks and opportunities”.

Description of the process to identify and assess material impacts, risks and opportunities related to resource use and circular economy

Harvia identified and assessed material impacts, risks and opportunities related to resource use and circular economy in its double materiality assessment. Harvia analyzed and identified resource inflows, resource outflows and waste in its own operations and value chain’s operations. Harvia has screened its assets and activities when identifying impacts, risks and opportunities. This was based on Harvia’s purchases, sales and waste data. Data delivered by Harvia’s suppliers related to the materials and recyclability of the material supported the assessment. Additionally, material consistency of Harvia’s products was evaluated from recyclability point of view. Harvia also gathered data related to waste to assess the amount and nature of waste generated via its operations. The lifecycle of Harvia’s products was also assessed. One of Harvia’s outflows, spare parts, was considered and assessed as part of the circular economy.

Harvia did not directly consult with affected communities when assessing impacts, risks and opportunities. Harvia’s business is dependent on the availability of main raw materials, which are wood and steel, used in the manufacturing of Harvia’s products, as well as heater stones.

Description of the process to identify and assess material impacts, risks and opportunities related to own workforce

Harvia identified and assessed material own workforce-related impacts, risks and opportunities in its double materiality assessment. Harvia’s business, innovations and business growth are dependent on talented workforce. Harvia’s strategy and business model take into account the personnel’s well-being, which is both a risk and an opportunity. In the IRO assessment, Harvia has identified that risks related to health and work safety are likely to impact more production workers due to the physical working conditions with tools and machines. The project team that identified and assessed the impacts, risks and opportunities was composed of experts from different functions to ensure a broad perspective on various aspects and contexts.

Description of the process to identify and assess material impacts, risks and opportunities related to workers in the value chain

Harvia identified and assessed material impacts, risks and opportunities related to workers in the value chain in its double materiality assessment. Identified and assessed material impacts, risks and opportunities relate to Harvia’s business model and environment and are focused on Harvia’s upstream value chain, promoting good working conditions, potential misconduct among its suppliers or on work-related rights or deeper in the upstream value chain in the purchasing of raw materials and components used in Harvia’s products. Harvia identified and assessed that all material negative impacts were potential. In the IRO assessment, Harvia has identified that potential violations of adequate working conditions are a higher risk for factory workers and workers doing manual work due to the nature of the work and the working environment.

Description of the process to identify and assess material impacts, risks and opportunities related to consumers and end-users

Harvia identified and assessed material impacts, risks and opportunities related to consumers and end-users in its double materiality assessment. Use of Harvia's products promote health and well-being of consumers and end-users, which has positive impacts. Harvia provides, directly or through its partners, guidance for the safe and environmentally good way of using its products. Harvia products are used by consumers and end-users, including minors, and ensuring product safety is therefore essential to mitigate safety risks, but also potential business risks and negative impacts.

Description of the process to identify and assess material impacts, risks and opportunities related to business conduct

Harvia identified and assessed material impacts, risks and opportunities related to business conduct in its double materiality assessment. The identified material impacts, risks and opportunities are related to corporate culture, management of relationships with suppliers including payment practices and corruption and bribery. In the assessment Harvia's operations' geographic locations, activity, sector and business structure have been taken into account.

NON-MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Description of the processes to identify and assess material impacts, risks and opportunities related to pollution

Harvia identified and assessed material impacts, risks and opportunities related to pollution in its double materiality assessment. Harvia screened all its site locations and business activities when identifying its

actual and potential impacts, risks and opportunities related to pollution in its own operations. Harvia identified the materials and components used for its products and evaluated how the production of such materials and components might pollute. Considering the other end of the value chain Harvia considered the pollution from the usage of its products. Harvia compared impacts occurred from the manufacturing of the materials and products and usage of Harvia's products to large-scale impacts. Harvia did not directly consult with affected communities when assessing impacts, risks and opportunities.

Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources

Harvia identified and assessed material impacts, risks and opportunities related to water and marine resources in its double materiality assessment. Harvia screened its assets and activities when identifying its actual and potential impacts, risks and opportunities related to water and marine resources and assessed this in its own production in upstream and downstream value chain. Harvia assessed its own production and downstream water use to be minor, as the manufacturing process or the usage of the products does not require significant water resources. Harvia assessed its share of water usage in the downstream value chain during material production and found it to be minor. Harvia did not directly consult with affected communities when assessing impacts, risks and opportunities.

Description of the processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystem

Harvia identified and assessed material impacts, risks and opportunities related to material biodiversity

and ecosystem in its double materiality assessment. Harvia identified and assessed its actual and potential impacts on biodiversity and ecosystems at its own site locations and assessed whether they are located in or near biodiversity-sensitive areas and whether activities related to these sites negatively affect these areas. One of Harvia's sites is located in biodiversity-sensitive area "Natura 2000". Harvia assessed whether the site negatively affects Natura 2000 area or its habitats and species. The site has ISO 14001 certification, and the environmental risks are evaluated regularly. As part of ISO 14001, the site is also regularly audited.

Harvia assessed also the impacts, risks and opportunities of its downstream and upstream value chain related to biodiversity and ecosystem. Harvia identified the use of wood in its upstream value chain. However, Harvia assessed that the wood material used in its production is minor compared to that used in the construction business, for instance. In addition, the company sources wood from certified suppliers, depending on availability in various markets. Since Harvia's impact is assessed minor, no biodiversity mitigation measures have been identified as necessary.

Harvia has not recognized dependencies or systemic risks related to biodiversity and ecosystems.

Harvia has not divided the analyzed risks related to biodiversity and ecosystems in transition and physical risks nor conducted consultations with the affected communities on the sustainability assessments of shared biological resources and ecosystems.

4. MANAGEMENT OF THE IMPACTS, RISKS AND OPPORTUNITIES

Harvia's ERM process covers all risks, including sustainability risks, but the more detailed IRO

assessment is done for the sustainability risks based on the ESRS requirements.

Both in terms of risks and opportunities, the process is integrated into normal business operations, and the relevant aspects are brought to the attention of the necessary people. Commitment owners and a sufficiently broad range of evaluators also take into account the issues of the operations in the assessment of risks and opportunities.

Harvia has identified, assessed and managed impacts, risks and opportunities according to the process described above for the first time during the reporting year. Previously assessing the sustainability impacts, risks, and opportunities has not been as systematic and detailed, however the process confirmed that Harvia has been even before this detailed assessment well aware of its material sustainability impacts, risks and opportunities.

Harvia has described its actions to manage material impacts, risks and opportunities in table set out in section "Impacts, risks and opportunities" under the sub-section "Description of the material impacts, risks and opportunities". Harvia will take into account the results of the IRO assessment in its operations and in developing its due diligence processes further, including practices, policies, targets and metrics.

Disclosure Requirements in ESRS covered by sustainability statements

The ESRS (European Sustainability Reporting Standards) disclosure requirements that Harvia reports in this Sustainability Statement for 2024 are listed on [Appendix 2](#). The disclosure requirements are based on the results of the double materiality assessment and the supplementary IRO assessment performed in 2024.

In this Sustainability Statement for financial year 2024, Harvia has utilized the opportunity for phased-in disclosure requirements under paragraph 10.3 of the ESRS1 to omit all disclosure requirements under S1 (Own workforce), S2 (Workers in the value chain), and S4 (Consumers and end-users). In addition, Harvia has utilized the opportunity to omit the following disclosure requirements:

- ESRS 2 Strategy, business model and value chain (SBM-1): Breakdown of total revenue by significant ESRS sector and list of additional significant ESRS sectors
- ESRS 2 Material impacts, risks and opportunities (SBM-3): The anticipated financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows over the short-, medium- and long-term, including the reasonably expected time horizons for those effects

- ESRS E1 GHG Emissions (E1-6): Datapoints on scope 3 emissions and total GHG emissions
- ESRS E1 (E1-9): Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- ESRS E5 (E5-6): Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

DISCLOSURE OF TOPICS ASSESSED NOT TO BE MATERIAL

In preparation of the IRO assessment, Harvia determined criteria and thresholds for materiality. Based on the use of set thresholds against identified impacts, risks and opportunities and the results of the IRO assessment, the ESRs standards that did not exceed the materiality threshold are the following: E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, and S3 Affected communities.

Standard	Explanation
E2 Pollution	Harvia has not identified impacts related to pollution of water or soil. Harvia’s impacts on air pollution in its own operations or from the usage of the products are minor, and therefore not considered material. Harvia does offer cleaner burning solutions, but today, without general and harmonized regulation, the impacts, risks, and opportunities can be considered material depending on end-users’ choices and product usage. Harvia is actively guiding customers and end-users on sustainable use of Harvia’s products. This will be reported according to standard S4 Consumers and end-users in 2025. Harvia has mitigated possible impacts from upstream value chain by selection of suppliers with whom Harvia can develop mutual, sustainable and long-term business partnership.
E3 Water and marine resources	In Harvia Group’s own operations, water is mainly used in painting lines. The usage of water is limited, and Harvia follows the local regulations in all locations. Impact of this activity has been considered very limited. Harvia has mitigated possible impacts from upstream value chain by selection of suppliers with whom Harvia can develop mutual, sustainable long-term business partnership.
E4 Biodiversity and ecosystems	Harvia Group’s primary means of supporting global biodiversity conservation is by reducing greenhouse gas emissions and increasing recycling efforts, which helps to preserve natural resources. The direct effects of Harvia Group’s operations on biodiversity are minor. Harvia Group’s production facilities are not located in biodiversity sensitive areas apart from EOS factory in Germany. EOS has ISO 14001 certificate and complies with local regulation, ensuring responsible environmental management and limited harm to surrounding environment. In the raw material chain, Harvia has mitigated possible impacts from upstream value chain by selection of suppliers with whom Harvia can develop mutual, sustainable and long-term business partnership. The use of wood is relatively minor and Harvia uses certified wood suppliers when possible.

Standard	Explanation
S3 Affected communities	Harvia has always been working closely with local organizations, such as schools and other businesses, and committing to involvement in research, industry standardization, and innovation. This has been part of Harvia Group’s good governance and business ethics practices. However, the business risks and opportunities related to Harvia’s impacts and dependencies on local communities are minor. Harvia’s actual and potential impacts on e.g. communities’ economic, social and cultural rights have been assessed as low.

DATAPPOINTS THAT DERIVE FROM OTHER EU LEGISLATION

[Appendix 3](#) presents the datapoints that derive from other EU legislation and the indication where they can be found in this Sustainability Statement, including those that Harvia has assessed as not material, in which case the Harvia has indicated “Not material” in the table.

ESRS E1 CLIMATE CHANGE

Material impacts, risks and opportunities related to climate change

Harvia's material impacts, risks and opportunities presented in chapter "General disclosures", section "Material impacts risks and opportunities related to climate change" are summarized below:

Actual impacts, negative:

- GHG emissions (own operations and value chain)
- Energy consumption, especially when renewable and emission-free energy is not available

Potential impacts, negative:

- Regulation changes - gaps
- Customer needs or expectations not met - change in customer behavior

Actual impacts, positive:

- Increased availability of products with reduced environmental impact

Potential impacts, positive:

- Regulation changes - compliance

Risks

- Change in customer behavior
- Availability issues from suppliers
- Emission free and renewable energy availability
- Changes in regulation and customer expectations
 - gaps in meeting the requirements

Opportunities

- Contribution in limiting global warming and driving the change

- Changes in regulation and customer expectations
- regulatory compliant solutions meeting the expectations give a competitive edge

Transition plan for climate change mitigation

Harvia does not currently have a transition plan in line with the requirements of ESRS E1. However, the company is committed to preparing one as part of its updated Sustainability Program for 2026 onwards, which will be completed in 2025.

Harvia originally set an emission reduction target for its own operations by 2030 aiming for zero emissions, as part of its Sustainability Program 2022-2025. The target included reducing emissions wherever feasible and compensating the remaining emissions, excluding potential remaining emissions in the United States and China where emission-free electricity is not available to fully cover Harvia's needs. Since then, the company has grown significantly, particularly in the United States, where increased business and production volumes as well as an acquisition have impacted emissions. The key challenge is the limited availability of renewable or emission-free electricity in Harvia's facilities in the above-mentioned regions.

Recognizing these developments, this target is no longer valid. Harvia will reassess its carbon reduction targets and define a climate transition plan in 2025. This plan will reassess Harvia's carbon reduction targets based on the latest operational realities and regulatory requirements. While the company continues to follow its existing sustainability program and seeks to reduce emissions where feasible, it acknowledges that full emission reduction cannot be achieved in locations

where emission-free or renewable energy is not available, and compensation will no longer be relied upon as the primary solution.

The key actions supporting climate change mitigation are outlined in the section "Actions and resources in relation to climate change policies".

CLIMATE-RELATED RESILIENCE ANALYSIS

Harvia conducted a climate resilience analysis in 2024 to further evaluate climate-related risks and opportunities, building on the insights gained from the IRO assessment. This analysis takes mostly a long-term view of the company's ability to adapt to and mitigate the impacts of climate change. Harvia's sustainability management together with operations conducted the resilience analysis in 2024 and it was approved on 3rd December 2024 by the Head of Operations.

The scope of the resilience analysis was climate change resilience covering the entire value chain. Harvia considered two different scenarios in evaluating the climate related resilience:

1. IPCC SSP1-1.9 scenario, which is aligned with the Paris agreement and is targeted to limit the global warming to 1.5°C. From climate mitigation perspective, this scenario will require strict policies, global cooperation on carbon pricing and rapid utilization of new technological solutions to reduce the greenhouse gas emissions and reach net-zero in 2050. Extreme weather conditions are more frequent, but the radical consequences of climate change are avoided.

2. IPCC SSP2-4.5 scenario with approximately 2.7°C global warming by the end of the century. In this scenario, greenhouse gas emissions remain at around current level until mid-century before they start declining. Progress towards targets is relatively slow and the regulative and technological transition is modest. Extreme weather conditions are frequent, sea level will rise and there will be impacts on ecosystems and biodiversity.

The scenarios were selected based on the likelihood of the scenario and for the timeframe being reasonable to predict the possible risks and impacts.

In scenario 1, the material risks identified were more transitional rather than physical. Due to increased regulation and carbon pricing Harvia estimates a moderate increase in carbon taxes and energy costs especially on the medium- and long-term time horizon while the technology for more sustainable solutions is still under rapid development. At the same time, Harvia sees great potential in being the leader of the industry, complying with increasing regulation and investing in more sustainable solutions in its operations and offering. Investments will be needed to reduce energy consumption and emissions.

In scenario 2, the risks were assessed to be more physical rather than transitional. This is because of the more frequent extreme weather conditions and less pressure from regulatory requirements. The increase of physical risks is more likely on the long-term time horizon.

Even if the regulatory pressure in scenario 2 is smaller, it is expected that there will still be demand from customers and end-users for more sustainable and energy-efficient solutions, and Harvia's leading

role in the industry will be a significant competitive advantage. Harvia's own operations are assessed not to be exposed to high-level risks, and potential impacts remain manageable and temporary, even when extreme weather conditions become more frequent and intense.

Harvia's strength lies in its extensive network of suppliers, long-term partnerships and flexible in-house operations. These will continue to ensure Harvia's security of supply even in unusual situations. A global market helps to balance overall demand, even if there are acute or long-term changes in some markets.

Harvia's business model, strategy, operations and governance structures support climate resilience well for both scenarios analyzed also from risk management perspective. Harvia's climate risks are considered in the Group's risk management process and are well managed on a regular basis and on a broad scope in terms of risk assessment, identification and response. Harvia has the capability to adapt its strategy as required. However, based on the current analysis, no immediate adjustments are necessary in the short-term. The company will develop a detailed climate transition plan in 2025, which will serve as the foundation for the sustainability program continuation regarding the planning and target setting of the climate commitment. In addition to these concrete actions, the resilience analysis for climate-related risks will serve as a basis for assessing potential strategic or business model changes in the medium- and long-term.

Policies related to climate change mitigation and adaptation

Harvia does not have a separate climate change-related policy. However, Harvia's Sustainability Policy addresses the main principles and rules followed by

Harvia Group in relation to ESG aspects, including climate change. In Harvia's Sustainability Program for 2022-2025 Harvia has set a Group-wide commitment to mitigating climate change.

HARVIA'S CLIMATE-RELATED PRINCIPLES

Harvia's Sustainability Program Commitment #3 "For minimizing our environmental footprint", covers climate change mitigation, energy efficiency and the use of renewable energy. The commitment principles related to climate change are:

- We actively look for ways to reduce greenhouse gases of purchased materials and upstream and downstream logistics
- Renewable energy is used in our production and offices whenever feasible
- Our offering is modular, and the number of stock keeping units (SKUs) is continuously optimized

The commitment #2 "For sustainable experiences & enjoyment", covers the innovating and development of products that reduce emissions and optimize energy consumption, which are important considering the emissions from the use of Harvia products.

Harvia's Sustainability Program sets out guidelines for climate change-related topics and is aligned with the impacts, risks and opportunities identified during 2024. Only the potential risk stemming from exceptional situations or acute hazards, such as availability issues from suppliers, is not directly covered by the program, but indirectly the principles under the Sustainability Program Commitment and the actions help to mitigate this potential risk. Harvia's climate-related principles are also linked to Harvia's strategic foundation and go hand in hand with the pursuit of energy and resource efficiency and savings.

The commitment “For minimizing our environmental footprint” and the strategic priorities of sustainability development are managed by the Head of Operations at Harvia Group. Commitment “For sustainable experiences & enjoyment” and R&D are managed by the Head of innovation and Technology. Harvia will consider the need for a separate policy for climate change when renewing the Sustainability Program in 2025. When setting the principles, stakeholder views and expectations have been considered by involving people at Harvia who regularly interact with different stakeholders and thus understand their expectations and needs, but stakeholders have not been directly involved. Stakeholders expect Harvia to act responsibly when it comes to any climate-related topics. The sustainability policy and commitments related to climate change are publicly available on Harvia’s website.

Actions and resources in relation to climate change policies

To address the actual or potential impacts and the risks and opportunities described in chapter “General disclosures”, section “Material impacts, risks and opportunities”, Harvia has conducted several actions which are listed as “Recent and current key actions”. In line with Harvia’s principles under the Sustainability Program and aspirational goals, Harvia intends to continue investing in the development of energy-efficient and more sustainable solutions in its offering, its own operations and its value chain. These are described below under the heading “Future key actions”. The actions are divided according to which decarbonization lever they are most essentially related to.

ENERGY EFFICIENCY

Recent and current key actions

- Oil heater optimization at the EOS site in Germany, which was implemented in June 2022, but the actual annual impacts and savings were not verifiable until 2023 and 2024. The expected energy saving was about 25% and actual savings based on oil consumption is approximately 20% compared to energy use before the optimization, contributing to an average of 70 tCO₂e annual GHG emission reduction for the entire Group. The CapEx for this investment was EUR 60,000 in 2022.
- Reflow oven at EOS for more energy-efficient electronics manufacturing, which was implemented in the beginning of 2023, but the actual annual impacts and savings were not verifiable until 2024. The expected and actual annual energy savings are approximately 20% compared to energy use before the optimization. Since EOS uses only renewable energy sources, this investment has not reduced emissions. The CapEx for this investment was EUR 90,000 in 2023.
- Investments in R&D to develop energy-efficient and more sustainable solutions, such as automation for energy-efficient control and solar-powered outdoor electric sauna. The total amount of R&D-related capital expenditures that were taxonomy aligned or eligible according to the EU taxonomy was in 2024 approximately EUR 310,000. The related note regarding investments in the Financial Statements is 3.2 Intangible assets and impairment testing: development expenditure. Regarding the solar-powered sauna, this action also impacts positively in use of renewable energy. Actual energy efficiency impact of the solar-powered sauna has been evaluated to be approximately 60%. Normally, a 9-kW heater is installed in an electrically heated

outdoor sauna, but the medium model solar-powered sauna features a 3.6-kW heater. Smaller heater was chosen for this sauna due to its effective thermal insulation and triple-pane windows and doors. This action will impact the scope 3 emissions, category 11: Use of sold products, and not Harvia’s scope 1 and 2 emissions.

USE OF RENEWABLE OR EMISSION-FREE ENERGY

Recent and current key actions

- Heat pump technology at the Kirami site in Sastamala, Finland. The new heat pump is more energy-efficient and replaces almost completely the use of light fuel oil at Kirami site in Finland. The main decarbonization lever is the use of renewable and emission-free energy, but this action also impacts positively in energy efficiency. The new heat pump was taken in use at the end of year 2024 and the actual savings in the emissions are not verifiable until 2025. Expected annual emission reduction is estimated to be 54 tCO₂e. OpEx from 2025 onwards.

Future key actions

- Implementing a hybrid thermal plant at EOS factory in Germany during 2025 to replace current oil heating with 100% carbon-neutral solutions. The investment is estimated to reduce the scope 1 GHG emissions of the entire Harvia Group by approximately 30%, contributing to the total GHG emissions with an estimated reduction of 300 tCO₂e. This action impacts positively also in energy efficiency. Future CapEx allocated for this is EUR 1.5 million.
- Installing solar power systems in China and in the U.S., where emission-free energy is not easily available, during 2025-2026. The expected decrease of emissions from electricity in China will be

about 65%, contributing to the total emission with an estimated reduction of 300 tCO₂e. The design work for the solar power system in the United States is underway, and emission reductions cannot yet be estimated. Future CapEx allocated for solar power systems is EUR 600,000.

The key actions are estimated to reduce total annual emissions of the operations of Harvia Group by approximately 700 tCO₂e, which is almost 30% of all scope 1 & 2 emissions in the reporting year.

Recent and current actions have no significant capital expenditure (CapEx) or operating expenditure (OpEx) implications that would affect the current Financial Statements. The Financial Statements reflect the past financial year and do not address future investments.

EXAMPLES OF OTHER ACTIONS TO ADDRESS IMPACTS, RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

To reduce energy use Harvia has also implemented online measurement of electricity consumption at all production sites, enabling energy use optimization as well as identification and resolution of inefficiencies. To drive electrification, Harvia has invested in electrical forklifts and charging stations for electrical vehicles. To increase the share of renewable and emission-free energy sources, Harvia has a solar power plant at Muurame site. To decarbonize the supply chain, Harvia has optimized road freight routes in the EU and reduced overlapping inventories to reduce transportation carbon footprint. Harvia has also educated consumers and end-users in the sustainable use of Harvia products. In 2025 Harvia will develop the efficiency and accuracy of scope 3 emission data collection and calculation and make the transition plan for climate change mitigation.

Harvia has not taken any remedying actions for those harmed by actual material impacts related to climate change mitigation and energy.

Harvia will include the overall description of expected decarbonization levers and their overall quantitative contributions in the transition plan for climate change mitigation.

Harvia acknowledges that significant financial resources will be needed for investments to reduce emissions. When the climate transition plan is established, the financial resources allocated for future actions will be defined in more detailed.

Targets related to climate change mitigation and adaptation

Harvia currently does not have climate targets. Due to the significant business growth in the United States, where the availability of emission-free electricity for Harvia's needs is limited, the prior target to reduce all emissions in its own operations by 2030 is no longer feasible.

Harvia remains committed to reducing emissions and will continue to implement reduction measures as described in section "Actions and resources in relation to climate change policies". Harvia will develop a climate transition plan as part of its updated Sustainability Program for 2026-2030, to be completed in 2025. This plan will reassess Harvia's carbon reduction targets based on the latest operational realities and regulatory requirements.

Energy consumption and mix

Energy consumption (1,000 MWh)	2023	2024	Change
Total energy consumption	15.2	15.6	2%
Total fossil energy consumption	5.0	6.1	17%
Fuel consumption from coal and coal products	0	0	0%
Fuel consumption from crude oil and petroleum products	3.7	4.1	10%
Fuel consumption from natural gas	0	0	0%
Fuel consumption from other fossil sources	0	0	0%
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	1.3	2.0	34%
Share of fossil sources in total energy consumption	33%	39%	6%
Consumption from nuclear sources	3.3	3.7	10%
Share of consumption from nuclear sources in total energy consumption	22%	24%	2%
Total renewable energy consumption	6.9	5.8	-18%
Fuel consumption from renewable sources	0	0	0%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	4.2	4.2	0%
Consumption of self-generated non-fuel renewable energy	2.6	1.6	-65%
Share of renewable sources in total energy consumption	45%	37%	-8%
Non-renewable energy production	2.0	2.2	10%
Renewable energy production	2.6	1.6	-65%
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	0.1	0.1	0%

The energy consumption and mix data is based on the GHG emissions data collection and accounting. For those countries where the market-based data is not available, location-based data of the energy mix from the Carbon Database Initiative has been used. These countries include China, Japan, the United States, Italy and Estonia.

The total energy use of Harvia Group increased by 2% in 2024 compared to 2023. Biggest increase was in consumption of fossil energy, 17%, primarily due to the highest increases in purchased energy in the United States and China, where fossil energy is used the most and emission-free energy is not freely available in the areas of Harvia facilities. The fuel consumption from crude oil and petroleum products also increased by 10%, from increases of petroleum gas use at Harvia Finland and heating oil at

EOS in Germany. The share of renewable energy consumption decreased by 8% due to the increase in fossil fuel shares. The big decrease in consumption of self-generated non-fuel renewable energy was due to less heating with biomass than in 2023.

Based on Harvia's most significant products and services, all of Harvia's business activities have been considered to operate in high-climate impact sectors. The net revenue used is EUR 175.2 million, as reported in the Financial Statements.

GHG emissions

Energy consumption, scope 1 & 2 (tCO ₂ e)	Base year				Change	
	2021	2022	2023	2024	2023	Base year
Scope 1 GHG emissions						
Gross Scope 1 greenhouse gas emissions	1,269	1,196	947	1,027	8%	-19%
Scope 2 GHG emissions						
Gross location-based Scope 2 greenhouse gas emissions	-	-	-	2,259	-	-
Gross market-based Scope 2 greenhouse gas emissions	1,292	881	923	1,404	52%	9%
Total Scope 1 & 2 GHG emissions						
Total GHG emissions (location-based)	-	-	-	3,287	-	-
Total GHG emissions (market-based)	2,561	2,077	1,870	2,432	30%	-5%

2024 GHG emissions by business unit scope 1 & 2 (tCO2e)	Scope 1	Scope 2 market-based	Scope 2 location-based	Total market-based	Total location-based
Harvia Finland (Finland)	198	37	544	236	742
Kirami (Finland)	108	0	24	108	132
Sauna-Eurox (Finland)	69	0	59	69	128
Harvia Estonia (Estonia)	15	26	33	41	48
EOS (Germany)	518	0	219	518	737
Harvia Austria (Austria)	34	8	29	43	64
Domo (Romania)	34	80	99	115	135
Phoenix El-Mec (Italy)	0	37	37	37	37
Harvia China (China)	18	451	451	469	469
Harvia Japan (Japan)	0	25	25	25	25
Harvia US (U.S.)	32	673	673	705	705
ThermaSol (U.S.)	0	67	67	67	67
Total	1,027	1,404	2,259	2,432	3,287

Harvia uses the GHG Protocol to calculate the GHG emissions. Changes to the previously reported data, such as emission factors, can be found in the section “General basis for preparation”.

The direct emissions, scope 1 CO2e, covers all direct emissions from Harvia owned or controlled sources, including fuels of cars and forklifts owned and used by Harvia, self-produced energy for heating from light fuel oil and burning wood and direct emissions from processes using methane. The local companies report the consumption to the centralized emission accounting. In the emission accounting, the consumption of the energy is multiplied by the emission factor. The emission factors used for scope 1 accounting are from Defra (2024).

Scope 2 emissions include purchased electricity and purchased heat, with energy sources of district heating and natural gas. For the market-based scope 2 emissions, the energy supplier provides either the total emissions or the emission factor. The consumption of the energy along with supplier-specific emission factor or total emissions is reported from each company to the centralized emissions accounting. The consumption of the energy is multiplied by the emission factor. For location-based scope 2 emissions, a country-specific emission factor from Carbon database initiative (2024) was used. For purchased heat, the emission factor was obtained from Defra, except for district heating, where an emission factor from Statistics Finland (2022)

was used. For 2024 scope 2 emissions, Harvia calculated location-based data for the first time. For market-based GHG accounting at facilities where energy suppliers or landlords did not provide market-based data, location-based emission factors from the Carbon Database Initiative were used. These facilities include Harvia China, Harvia Japan, Harvia US, ThermaSol in the United States, Phoenix El-Mec in Italy and Harvia Estonia.

In the reporting year, two new companies, ThermaSol and Harvia Japan joined the Harvia Group, and Phoenix El-Mec from Italy was included in the GHG accounting since beginning of 2024, increasing scope 1 and 2 emissions compared to previous year. Harvia Japan contributed to the GHG emissions since the second quarter, when the operations started and ThermaSol since the beginning of August, when it joined the Harvia Group. The total emissions from the new companies included in the GHG accounting was approximately 130 tCO2e. Harvia will update the baseline values according to the GHG protocol in regard to the acquisitions.

Biggest emissions in 2023 and 2024 were in the United States, China, and Germany, representing approximately 70% of total emissions. The planned and ongoing investments are targeted to reduce the emission significantly as presented in section “Actions and resources in relation to climate change policies”. The total market-based scope 1 and 2 GHG emissions increased by 30% compared to previous year. This is mainly due to the significant production increases at Harvia US and Harvia China, where the scope 2 emissions increased significantly, as emission-free electricity is not freely available and the emission intensity in relation to production is higher.

The comparison between market-based and location-based scope 2 emissions shows that Harvia effectively utilizes the opportunity for emission-free electricity whenever possible, resulting in market-based scope 2 GHG emissions almost 30% lower than location-based scope 2 emissions.

GHG Intensity, scope 1 & 2	2023	2024	Change
Scope 1 & 2 market-based GHG emissions in relation to production volumes (kgCO2e/pc)	3.7	4.1	10%
Scope 1 & 2 market-based GHG emissions in relation to net revenue (gCO2e/EUR)	12.4	13.9	12%
Scope 1 & 2 location-based GHG emissions in relation to net revenue (gCO2e/EUR)	-	18.8	-

The market-based scope 1 and 2 GHG emissions in relation to production volumes have been calculated by using an index, to balance the different types of products into a comparable value. The index is calculated for each company separately by dividing monthly production quantity of end-products by monthly work hours. The final index is the average from the entire year. The year-end total quantity is divided by the total index, to calculate the balanced production volume. Finally, the total emissions from all companies is divided by the total balanced production volume. This metric considers only production facilities with standard end-products, meaning project work or component manufacturing is not included. Harvia Austria, Harvia Estonia, Harvia Japan and Phoenix El-Mec and the emissions from those companies are not included in the calculation. ThermaSol is included in the metric for the time belonging to the Group. The GHG emission in relation to net revenue has been calculated by dividing the total emissions by net revenue. The net revenue used is EUR 175.2 million, as reported in the Financial Statements.

Between 2023 and 2024 the scope 1 and 2 emissions relative to production volumes increased by 10%. The total production volume increased approximately 20% and mostly in the United States and China, where the emission intensities are higher. Also, ThermaSol, located in the United States, increased the emissions relative to production volumes with higher emission intensity. The scope 1 and 2 market-based emission intensities increased relative to net revenue with 12%. The metric of emissions relative to production volume is not validated by an external body other than the assurance provider.

Biogenic emissions of CO₂ from combustion or bio-degradation of biomass not included in scope 2 GHG emissions are 1,493 tCO₂e.

Harvia has a contract with the electricity supplier for renewable energy at EOS in Germany and for CO₂-free electricity in Finland at Muurame factory, Sauna-Eurox and Kirami. Percentage of contractual instruments, scope 2 GHG emissions is 45%. This is calculated by comparing market-based scope 2 electricity consumption (MWh) tied to contractual instruments with total energy generation (MWh) related to scope 2 emissions. Harvia does not use contractual instruments to purchase unbundled energy attribute certificates for scope 2 GHG emissions. Therefore, the proportion of scope 2 GHG emissions covered by contractual instruments used to purchase electricity with generation-related attributes is also 45%, and the proportion covered by contracts used to purchase unbundled energy attribute certificates is 0%.

Datapoints on scope 3 emissions and total GHG emissions shall be reported on the financial year 2025 in 2026.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities related to resource use and circular economy

Harvia's material impacts, risks and opportunities related to resource use and circular economy:

Actual impacts, negative:

- Use of natural resources and raw materials
- Generation of waste

Actual impacts, positive:

- Sustainable material choices and optimization of materials
- Responsible use and sourcing of natural resources and raw materials
- Measures to extend product lifecycle and reduce emissions
- Drive sustainability forward through sustainable products and innovations

Risks:

- Availability and cost of sustainable materials

Opportunities:

- Limiting use of natural resources
- Sustainable material and supplier choices
- Circular economy business
- Combining innovations enhancing health & well-being and sustainable solutions

Policies related to resource use and circular economy

Harvia does not currently have a separate resource use and circular economy policy in place; however, based on the results of the double materiality and IRO assessment, Harvia is planning to include resource use and circular economy in a more detailed level in its new Sustainability Program from 2026 onwards, which will be prepared during 2025. Simultaneously with the renewal of the Sustainability Program, Harvia will consider the need for a separate policy for resource use and circular economy. Harvia has consistently focused on optimizing resource use, contributing to its operational efficiency and financial performance over time as part of its strategy. Similarly, circular economy views are integrated throughout the product lifecycle, from design to recyclability.

Harvia has addressed resource use and circular economy indirectly in its Supplier Code of Conduct and Sustainability Program. Harvia has general provisions related to environment, health and safety in its Supplier Code of Conduct. According to the terms and conditions of the Supplier Code of Conduct, Harvia requires that its partners shall make all reasonable efforts to protect the environment and minimize the negative environmental impacts of their activities on the environment. In addition, its partners shall agree to monitor, control, and take actions on any emissions and waste or other negative environmental effects generated through their operations in accordance with the Supplier Code of Conduct.

In Harvia's Sustainability Program, resource use and circular economy is a part of the Commitment #2 "For sustainable experiences & enjoyment". The program sets out group principles to be applied in all Harvia Group companies' business operations regarding material use, recyclability and product safety.

The commitment for Sustainable experiences and enjoyment is under the responsibility of the Head of Innovation & Technology at Harvia Group.

Actions and resources related to resource use and circular economy

Harvia is continuously implementing measures to optimize resource use and promote the circular economy, integrating them into its operational framework and practices. While there is no comparative baseline data or reliable industry averages to quantify their individual impact, they are reflected in stakeholder engagement and operational efficiency. Moving forward Harvia aims to incorporate these practices into the Sustainability Program from 2026 onwards and create concrete action plans with targets. The actions during the reporting period promoting resource use and circular economy are divided below based on the subtopics defined in the ESRS 1, Appendix A, that they are most material to. All the key actions related to the impacts, risk or opportunities of resource use and circular economy are implemented and monitored in operations on a daily basis. The implementation of the actions does not require significant financial resources. Harvia has not taken any remedying actions for those harmed by actual material impacts related to resource use and circular economy.

RESOURCE INFLOWS INCLUDING KEY ACTIONS RELATED TO RESOURCE USE

- The main materials used in manufacturing Harvia's products are steel and wood. The stainless steel Harvia uses is on an average approximately 90% recycled steel. The share of biological materials in the material inflow, including mainly wood and cardboard, is 65% of all material inflow, excluding stones.
- The biggest inflow material measured in weight is stone, with over 70% of total resource inflow weight. The mining process creates material for various needs, from which approximately 20-30% is for heater stones and the rest 70-80% for gravel or other stone-based material for example for construction use. The excess stone material from heater stone manufacturing is recycled back to the mining site or sold to local companies to be used for construction or landscaping. Mining, heater stone manufacturing, and recycling are all located within approximately 20 km radius and the transport between mining and heater stone manufacturing is optimized to have load in both directions.

Together with its key partners, Harvia is aiming to seek ways to increase the recyclable content in materials and components used in Harvia's products where possible. Cooperation opportunities and financial resources required for them are being investigated.

RESOURCE OUTFLOWS INCLUDING KEY ACTIONS RELATED TO RESOURCE USE

- Resource optimization is a part of Harvia's product development and operations, and it covers both the production and the lifecycle of the products. Over the years, Harvia has increased automation in its manufacturing facilities and developed its own

equipment and ways of working to optimize material use and to reduce waste.

- The products are designed to be repairable, and Harvia offers spare parts and maintenance services to extend the lifetime of the products.
- The materials used in manufacturing Harvia products, and the products itself have good recyclability at the end-of the product lifecycle. Harvia's most significant product group, heating equipment, are 99% recyclable.

KEY ACTIONS RELATED TO WASTE

- Harvia recycles all excess steel used in its production processes.
- In all other facilities, except the ones in the United States and Italy, waste is recycled or treated with combustion, covering 97% of all waste.
- At Harvia's production site in West Virginia in the United States, the company has invented ways to reduce wood waste. The excess board material is turned into sawdust and sold to local farms to be used as animal bedding instead of ending up as landfill waste. The total amount of sawdust was 160 tons in 2024.

Harvia continues to find ways of minimizing the landfill waste in the facilities in United States and Italy. Harvia does not have remedying actions in place for generation of waste or use of natural resources and raw materials, but rather focuses on minimizing the waste.

Targets related to resource use and circular economy

In the current Sustainability Program, Harvia has not set measurable targets related to resource use and circular economy. The principles and actions related to resource

use and circular economy are strongly linked to the qualitative targets Harvia has, such as increasing the recyclable content in material inflow, products designed to be long-lasting and repairable and at the end of the product lifecycle recyclable and minimizing non-recyclable waste.

Profitability is a strategic goal of Harvia and linked to resource efficiency profitability. Optimizing operations, efficient use of resources and reducing waste are ways of enhancing cost-effectiveness. This core focus area has been an important factor in achieving the strategic goal since company's establishment. Harvia tracks the effectiveness of its resource use and circular economy principles and actions in relation to the material impacts, risk and opportunities by monitoring the recyclable content of the inflow materials and monitoring the waste quantities and types of waste. Harvia has not set level of ambition to be achieved but strives for continuous positive development.

Harvia will include the resource use and circular economy in its Sustainability Program from 2026 onwards. The continuation program will be planned during 2025 and Harvia will set targets for resource use and circular economy as part of the program.

Resource inflows

Harvia has assessed the following material negative or positive impacts, risks and opportunities related to material inflows:

Negative impacts:

- Use of natural resources and raw materials

Positive impacts:

- Sustainable material choices and optimization of materials
- Responsible use and sourcing of natural resources and raw materials

Risks:

- Availability and cost of sustainable materials

Opportunities:

- Limiting use of natural resources
- Sustainable material and supplier choices

The materials used in Harvia’s products and packaging are of great importance to the impacts, risks and opportunities of resource inflow. The main materials in Harvia’s material inflows in the upstream value chain include the following:

- Stainless steel
- Cold and hot-rolled steel
- Other metals (such as aluminium, copper, Aluzinc alloy coated steel)
- Wood
- Electrical components and electronics
- Cardboard
- Glass
- Plastic
- Stones

RESOURCE INFLOWS 2024	2024
Overall total weight of products and technical and biological materials used (1,000 kg)	67,000
Percentage of biological materials	21%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking’s products and services (including packaging) (1,000 kg)	2,500
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	4%

The biggest amount of resource inflow in kilograms is the stones with over 70% of total resource inflow weight. Below, the resource inflow is calculated with the stones excluded to give a view of biological and reused or recycled material in regard to all other materials:

RESOURCE INFLOWS WITHOUT STONES 2024	2024
Overall total weight of products and technical and biological materials used (1,000 kg)	21,100
Percentage of biological materials	65%
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking’s products and services (including packaging) (1,000 kg)	2,500
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	12%

The calculations in the tables are based on the quantities of main materials, components or products Harvia Group has purchased, and the percentage of secondary, reused or recycled materials used to manufacture Harvia products. The content of the materials, including the percentage of reused or recycled material, has been provided by suppliers. Harvia cannot reliably determine whether the data from the suppliers is based on estimates or direct measurements. 23% of the resource inflow is not from stones, biological or secondary reused or recycled materials. To avoid double counting, Harvia has collected the data from each group company individually and excluded inter-company trade. If no data was received, the percentage of reused or recycled content was considered to be zero.

Harvia will continue to develop the material inflow together with its suppliers to increase the share of reused and recycled materials.

Resource outflows

Harvia has assessed the following material negative or positive impacts, risks and opportunities related to material outflows:

Negative Impacts:

- Generation of waste

Positive impacts:

- Measures to extend product lifecycle and reduce emissions
- Drive sustainability forward through sustainable products and innovations

Opportunities:

- Circular economy business
- Combining innovations enhancing health & well-being and sustainable solutions

Harvia’s largest product group is heating equipment, which equals 54% of Harvia’s total revenue. Harvia’s R&D and operations evaluate the products to improve material efficiency in production, and the company offers maintenance services and spare parts. The stainless steel Harvia uses is on an average manufactured with approximately 90% of recycled steel and the steel itself is recyclable. The use of steel is optimized in the production process and all excess steel is recycled. Harvia instructs the recycling of its products in the product packages but has no access to information on how end-users behave.

Saunas and Scandinavian hot tubs, which represent the second largest product group and account for 27% of total revenue, contribute to the material flow of wood. Harvia sources wood from certified suppliers, depending on availability in various markets. The European sauna factories of Harvia procure their wood materials from suppliers with a valid Chain of Custody certification. During production, scrap wood is minimized by techniques such as finger jointing, which enables the use of shorter wood pieces. At the end of its lifecycle, wood is recyclable.

Harvia aims to minimize the use of plastic in packaging, but at the same time considers the optimal packaging method to keep the goods in good condition and to avoid damages during transport or warehousing. The plastics Harvia uses in its products and packaging are recyclable.

EXPECTED DURABILITY OF PRODUCTS

The expected durability of Harvia’s products is estimated in the table below. There is no reliable industry average information available and the estimates are based on experience and testing. It is important to note that the expected durability has been assessed based on having the right product for the use and space, correct installation, average use, and proper maintenance without repairs with spare parts:

Product	Expected durability (years)	NOTE
Electric heater	8	Spare parts and good maintenance can extend the expected durability and product use significantly.
Woodburning heater	10	
Control units (separate from heater)	10	
Sauna cabins	20	
Infrared heaters	8	
Infrared controllers	10	
Steam generators	4	
Hot & Cold tubs	10	
Sauna stones	3-5*	Annual re-stacking of the stones required.

* Due to large variation in temperature, the sauna stones disintegrate in use. The stones are required to be re-stacked at least once a year or even more often if the sauna is in frequent use.

RECYCLABLE MATERIAL IN PRODUCTS AND PACKAGING

Product	Rate of recyclable material in product (%)	Rate of recyclable material in product packaging (%)
Electric heater	99	100
Woodburning heater	99.8	100
Control units (separate from heater)	99	100
Sauna cabins	92	100
Heater stones	0	100
Infrared heaters	99	100
Infrared controllers	99	100
Steam generators	99	100
Hot & Cold tubs	100	100

The rates of recyclable material in products have been estimated based on the waste management of Finland, where Harvia’s headquarter is located at. The vast majority of the materials used in Harvia products are recyclable. Exceptions are glass windows and doors, insulation materials and heater stones. The heater stones are natural material, but their end-of-life disposal remains an area for improvement. The heater stones can be used in earthworks or as decorative stones for example in the garden, however not everyone has this opportunity and the acceptance and recycling of stones in recycling centers varies greatly. Harvia is committed to exploring alternative solutions that include for example investigating new recycling and reuse possibilities for sauna stones in collaboration with waste management partners. All packaging material used is 100% recyclable.

WASTE

Waste data (1,000 kg)	2024
Total waste generated	26,430
Hazardous waste diverted from disposal	6
Hazardous waste diverted from disposal due to preparation for reuse	0
Hazardous waste diverted from disposal due to recycling	6
Hazardous waste diverted from disposal due to other recovery operations	0
Non-hazardous waste diverted from disposal	25,795
Non-hazardous waste diverted from disposal due to preparation for reuse	0
Non-hazardous waste diverted from disposal due to recycling	25,795
Non-hazardous waste diverted from disposal due to other recovery operations	0
Hazardous waste directed to disposal	39
Hazardous waste directed to disposal by incineration	39
Hazardous waste directed to disposal by landfilling	0
Hazardous waste directed to disposal by other disposal operations	0
Non-hazardous waste directed to disposal	590
Non-hazardous waste directed to disposal by incineration	36
Non-hazardous waste directed to disposal by landfilling	553
Non-hazardous waste directed to disposal by other disposal operations	0
Non-recycled waste	629
Percentage of non-recycled waste	2%

Waste data is collected from each group company individually to avoid double counting. Most of the data is provided by the waste management companies. When it is not possible to get the data from the waste management company, the calculation is done based on the size of the waste bin and the frequency of bin emptying. The estimated waste quantity is less than 1% of the total waste.

The main waste streams include soil and stones, other than those containing hazardous substances, mixed metal, sawdust, shavings, cuttings, wood, particle board, and veneer, other than those containing hazardous substances, discarded electronic equipment, mixed municipal waste, paper and cardboard waste and waste paint and varnish containing hazardous substances. The vast majority (92%) of the waste is stones. Excess stone material from manufacturing is recycled back to the mining site or sold for use in road and earthworks construction, for example. 97% of all waste is recycled or disposed by combustion (incineration). Harvia does not generate radioactive waste. In all other facilities except the ones in the United States and Italy, all waste is recycled or treated with combustion. Harvia continues to find ways of minimizing the landfill waste in the facilities in United States and Italy.

STATEMENT ON EU TAXONOMY FOR SUSTAINABLE ECONOMIC ACTIVITIES

Disclosure according to the EU Taxonomy Regulation

The Taxonomy Regulation 2020/852 is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities. The six environmental objectives defined under the EU Taxonomy are:

1. climate change mitigation,
2. climate change adaptation,
3. sustainable use and protection of water and marine resources,
4. transition to a circular economy,
5. pollution prevention and control, and
6. protection and restoration of biodiversity and ecosystems.

Taxonomy Regulation (Regulation (EU) 2020/852, Article 8) applies to companies like Harvia that report according to the European CSRD (2022/2464/EU). The following section presents the share of group net turnover i.e. revenue, Capex and Opex for the reporting period 2024, which are associated with Taxonomy-aligned and Taxonomy-eligible economic activities. Taxonomy-aligned and Taxonomy-eligible compliance have been analyzed on the basis of taxonomy legislation, Climate Delegated Act and Environmental Delegated Act. Taxonomy-aligned compliance is achieved when Taxonomy-eligible economic activities contribute significantly to at least one environmental

objective by meeting pre-defined technical screening criteria, the activities do not cause significant harm to other environmental objectives according to the Do No Significant Harm (DNSH) criteria, and the Minimum Safeguards defined in the Taxonomy are met.

Substantial contribution

Harvia has reviewed the substantial contribution criteria for economic activity CCM 3.5. "Manufacture of energy efficiency equipment for buildings" and assessed to be aligned. According to the criteria, the activity must manufacture one or more of the products listed in the taxonomy or its key components. The list includes manufacturing energy efficient building automation and control systems for residual and non-residual buildings. Control units and control automation, with energy saving features, are considered to belong to this product group.

Do no significant harm criteria

Climate change adaptation: Harvia has assessed physical climate risks regarding the manufacturing of the control units by mapping potential chronic and acute physical risks and their potential impact on the control unit and control automation manufacturing. Based on the assessment physical climate risks are not considered material.

Sustainable use and protection of water and marine resources: The manufacturing process of control units does not include use of significant amount of water nor require an Environmental Impact Assessment in line with Directive 2011/92/EU. The manufacturing sites are either ISO 140001 certified or implement an environmental management system corresponding to the ISO14001. The manufacturing sites do not need a permit to operate in the vicinity of a water.

Transition to a circular economy: In electronics manufacturing, the use of reused or recycled materials in the production of new products is not common, as products must meet strict industry-specific requirements, and suitable alternatives are not always available. However, the availability of recycled and reused materials is increasing, and their use is being considered on a case-by-case basis. In the design process, the key factors to consider are product durability and customer requirements. Electronics and packaging materials are recyclable at the end of the product's lifecycle.

Pollution prevention and control: Harvia has assessed to meet all the relevant criteria related to DNSH to Pollution prevention presented in Appendix C.

Protection and restoration of biodiversity and ecosystems: Harvia's control units are manufactured on facilities located in or near biodiversity-sensitive areas. As part of the ISO 14001 the environmental impacts and risks are assessed. Based on the assessments and by complying with all environmental laws and regulations, Harvia has assessed not to cause any harm on the biodiversity and ecosystems.

Minimum social safeguards

Harvia has assessed its Minimum Safeguards against the minimum requirements of the EU Taxonomy Regulation (EU) 2020/852 on human rights, corruption, bribery, tax regulation and fair competition. The topics are covered in the Harvia code of Conduct and in the Code of Conduct for Harvia suppliers. Harvia Code of Conduct sets the policies, guidelines and ways of working for all Harvia employees. Harvia expects that all its suppliers act responsibly and in accordance with Harvia Supplier Code of Conduct.

The policies and activities are aligned with the Minimum Safeguards criteria.

Harvia is also committed to:

- 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

Harvia assesses its activities as compliant with the taxonomy criteria.

Accounting policies

Harvia has assessed the relevant taxonomy-aligned and taxonomy-eligible economic activities in accordance with Regulation (EU) 2020/852. The assessment was conducted together with representatives from different business areas, the sustainability reporting team and the finance department.

Taxonomy-aligned and Taxonomy-eligible revenue

For fiscal year 2024, Harvia has identified one Taxonomy activity related to the Climate Change Mitigation (CCM) objective that is both Taxonomy aligned and Taxonomy eligible: CCM 3.5. "Manufacture of energy efficiency equipment for buildings". The activities that have been considered aligned under the activity CCM 3.5. relate to energy-saving automation for the control and maintenance of sauna technology.

The activities that have been considered eligible under the activity CCM 3.5. relate to energy efficiency for heating products, appliances, saunas and sauna technology. Under the Circular Economy (CE) objective,

activity CE 5.2. "Sale of spare parts" is also Taxonomy-eligible. Harvia products are built to last, designed to be serviceable, repairable, and durable. With a comprehensive range of spare parts, Harvia support circular economy.

The proportion of Taxonomy-aligned economic activities has been calculated as the part of revenue derived from products and services associated with Taxonomy-aligned economic activity CCM 3.5. divided by Harvia's consolidated revenue (see Note 2.1. Revenue in the Financial Statements).

The proportion of Taxonomy-eligible economic activities has been calculated by dividing the revenue from the sales associated with Taxonomy-eligible economic activities CCM 3.5. and CE 5.2. by Harvia's consolidated revenue.

Increased number of taxonomy aligned and eligible products and increase in the sales of products that impact on energy efficiency of saunas have increased the share of both taxonomy-aligned and taxonomy-eligible turnover.

Taxonomy-aligned and eligible CapEx

During the fiscal year 2024, the investments under the Taxonomy-aligned economic activity CCM 3.5. relate to developing automation for energy efficient control.

Harvia has invested in Taxonomy-eligible activity related to the Climate Change Mitigation objective CCM 7.3. "Installation, maintenance and repair of energy efficiency equipment" in low energy consumption lighting. This investment enables energy-efficiency improvements in operations.

The Taxonomy-aligned Capex is defined as Taxonomy-aligned Capex divided by the total Capex. The Taxonomy-eligible Capex is defined as Taxonomy-eligible Capex divided by the total Capex.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation and amortization. Additions resulting from business combinations are also included. Goodwill is not included in Capex. For further details on accounting policies see additions from Harvia's consolidated Financial Statements as follows: additions regarding intangible assets see Note 3.2 Intangible assets and impairment testing and for tangible assets see Note 3.3. Property, plant, and equipment.

Taxonomy-aligned and eligible OpEx

For financial year 2024 there was no Taxonomy-aligned Opex.

Harvia has identified as Taxonomy-eligible Opex in relation to climate change mitigation objective under activities CCM 6.5. “Transport by motorbikes, passenger cars and light commercial vehicles”, CCM 6.6.“Freight transport services by road” and CCM 7.5. “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings”. The non-capitalized taxonomy-eligible activities are related to leasing environmentally friendly vehicles and electric forklifts, and monitoring the energy efficiency of buildings.

The Taxonomy-eligible Opex is defined as Taxonomy-eligible Opex divided by the total Opex as defined in the Taxonomy Regulation. For additional information on Opex see Note 2.3 Operating income and expenses in the Financial Statements.

Total Opex consists of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

Double counting has been avoided by allocating Taxonomy-aligned and -eligible turnover, capital and operating expenditure to only one economic activity.

EU Taxonomy Regulation and reporting requirements will develop in the coming years, and Harvia will update its Taxonomy assessment and reporting according to the requirements.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ESRS G1 BUSINESS CONDUCT

Material impacts, risks and opportunities related to business conduct

Harvia's material impacts, risks and opportunities related to business conduct:

Actual impacts, positive:

- Sustainable and economic value creation for stakeholders
- Long-term relationships with suppliers - developing sustainability together

Potential impact, negative:

- Conflict between short-term performance and expectations
- Non-compliance

Potential impact, positive:

- Prevention of corruption and bribery in society

Risks:

- Conflict between short-term performance and expectations affecting employee satisfaction or reaching short-term targets
- Non-compliance resulting in violations

Opportunities:

- Sustainable value creation for stakeholders
- Promoting anti-corruption and bribery practices

Business conduct policies and corporate culture

Harvia complies with local laws and regulations in all of its operating countries. Harvia's Code of Conduct concerns each employee. Guided by the policies and principles, Harvia strives to uphold the good and healthy corporate culture and responsible business conduct in all interactions whether with employees, customers, partners or any other stakeholders.

Harvia's Sustainability Policy addresses the main principles and rules followed by Harvia Group in relation to sustainability development of ESG aspects, including business conduct. Harvia Group is committed to:

- 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.

Harvia Group's Code of Conduct describes generally accepted practices and the company's commitment to complying with laws and regulations. In addition, it covers the following topics: environment, health and safety; product safety; competition law; anti-bribery and anti-corruption; political activity; business partners; conflicts of interest; communication principles; confidentiality; data protection and access to data; prohibition of money laundering and international sanctions; human rights; non-harassment and non-discrimination; and sanctions.

The purpose of the Code of Conduct is to ensure that Harvia Plc and all its subsidiaries abide by shared ethical principles in their operations. It applies to all

Harvia Group employees regardless of their geographical location, and the employees are expected to abide by the Code without fail. The Code of Conduct is approved by the Board of Directors, and the implementation is based on the uncompromising example of the top management of and all supervisors employed by Harvia Plc.

Harvia expects that all its suppliers and their subcontractors act responsibly and in accordance with Harvia Supplier Code of Conduct, which requires suppliers and partners to commit to:

- Complying with all mandatory laws and regulations
- Condemning corruption
- Promoting fair competition
- Avoiding conflicts of interests
- Preventing money laundering and complying with privacy protection and trade sanctions
- Respecting intellectual property rights and confidentiality
- Respecting Human and labor rights
- Promoting occupational health and safety
- Promoting environmental well-being and preventing climate change
- Reporting any suspected misconduct they observe.

Commitment to the Supplier Code of Conduct is a requirement for all suppliers whose annual purchases are over 20,000 euros in total.

The Supplier Code of Conduct is approved by the Board of Directors of the Harvia Group. The CEO and the Group's management team are responsible for its implementation, but all individuals involved in contracts or purchases also share responsibility for promoting its implementation.

HARVIA'S BUSINESS CONDUCT PRINCIPLES

In Harvia's Sustainability Program, business conduct is one part of the Commitment #4 "For safe and warm community". The program sets out group principles to be applied in all Harvia Group companies' business operations that are directly linked to Harvia's corporate culture. Related to business conduct, Harvia follows these group-level principles:

- We believe that when we collaborate and support each other, it results in wellbeing and long relationships with everyone from our employees to customers and partners.
- We look after the safety, equality and competence development of our people.
- Our operating is based on values such as equality, diversity and 'welcoming'.
- We always comply with laws and regulations and generally accepted best practices.

The commitment for safe and warm community is managed by the Chief Financial Officer of Harvia Group. Stakeholder views and expectations have been considered when setting the policies by involving people at Harvia who regularly interact with different stakeholders and thus understand their expectations and needs. All policies and commitments related to business conduct are publicly available on Harvia's website.

Whistleblowing channel

Harvia has a whistleblowing channel through which Harvia Group employees or external stakeholders can report any matter they find unethical or suspected misconduct. Reports can be made anonymously, and they are treated as confidential.

Harvia has defined an official investigation process for reports. All members of the appointed and trained whistleblowing team receive an immediate notice, when a report is submitted. Access to reports received through Harvia's whistleblowing channel is restricted to appointed individuals with the authority and training to handle whistleblowing cases. Their actions are logged, and handling is confidential, independent and objective. A confirmation of receipt is sent to the whistleblower within seven days and the case is assessed by the whistleblowing team. When needed, follow-up communication can be arranged via an anonymous channel. If the report is accepted, appropriate measures for investigation will be taken. When needed, individuals who can add expertise may be included in the investigation process, upon consent from the whistleblower in case identity of the reporting person is disclosed. These individuals can access relevant data and are also bound to confidentiality. Applicable action is taken and monitored based on the investigation results and the whistleblower shall be provided with feedback about the actions taken or the grounds for the choice of follow-up. Feedback to the whistleblower about the report follow-up is sent within three months of the acknowledgment of receipt.

The whistleblowing team may not investigate the reported alleged misconduct if:

- The alleged conduct is not reportable conduct under the Whistleblowing guidelines
- The report has not been made in good faith or is malicious
- There is insufficient information to allow for further investigation
- The subject of the report has already been solved.

Harvia's whistleblowing service is provided by an external partner to ensure anonymity. The communication channel is encrypted and password-protected. When the channel was established, all employees were informed and provided with guidance on the use of the channel. Whistleblowing is also part of the Harvia Code of Conduct training.

The whistleblowing service may collect personal data on the person specified in a report, the person submitting the report (if not sent anonymously) and any third person involved, in order to investigate facts on the declared misdeeds and inappropriate behavior eligible under Harvia's Code of Conduct or internal rules. The processing is based on statutory obligations and the legitimate interest of the controller to prevent reputational risks and to promote an ethical business activity. The provided description and facts under the processing are only reserved to the competent and authorized persons who handle the information confidentially. One may exercise the right of access, of rectification and of opposition, as well as of limited processing of personal data, in accordance with the local data protection legislation. These rights are subject to any overriding safeguarding measures required to prevent the destruction of evidence or other obstructions to the processing and investigation of the case. The data is stored within the EU.

A person expressing genuine suspicion or misgiving according to these guidelines will not be at risk of losing their job or suffering any form of sanctions or personal disadvantages as a result. It does not matter if the whistleblower is mistaken, provided that he or she is acting in good faith.

Management of relationships with suppliers

One of Harvia values is “We believe in long-term partnerships, built on mutual respect and trust”. Harvia generally has long-term business relationships with its suppliers and partners.

Successful relationships with suppliers and partners stem from living the values, good collaboration and risk management. The Supplier Code of Conduct sets clear requirements for suppliers, and supplier visits, audits and assessments are used to assess and verify the commitment in practice. The supplier visits also strengthen the mutual respect and trust and deeper understanding of the needs and expectations of one another. Supplier risks related to human and labor rights, environmental performance and compliance with laws and regulations are assessed continuously.

Sustainability aspects are part of the supplier selection process and new suppliers must commit to Harvia’s Supplier Code of Conduct requirements. When selecting suppliers, Harvia treats all potential suppliers equally despite the size of the company. It means that all suppliers have equal opportunity to become a supplier.

Environmental aspects play an important role when selecting the most substantial suppliers, like suppliers of steel or logistic services. Harvia has used stainless steel which is manufactured from recycled steel for several years. Another steel used in Harvia’s products is carbon steel. Both are manufactured in Finland, which is favorable in terms of logistics. The stainless steel from the same manufacturers is also used in Germany.

Harvia requires that its logistics partner must have targets for reducing emissions. The current logistics

partner is committed in reducing the GHG emission to the lowest possible level by 2050.

Harvia does not have a specific policy to prevent late payments for suppliers. Harvia applies reasonable payment terms in its operations, according to the company’s own assessment. Payment terms are described in more detail in the section “Payment Practices”.

Prevention and detection of corruption or bribery

Harvia’s policy and approach to anti-bribery and anti-corruption is consistent with the United Nations Convention against Corruption and defined in Harvia Group’s Code of Conduct, stating that all forms of corruption and bribery are prohibited.

When it comes to communicating about Harvia’s approach to corruption and bribery, Harvia has previously included the topics into face-to-face trainings for the functions most vulnerable to corruption and bribery. Today the anti-corruption and anti-bribery training is also included as part of Harvia’s online Code of Conduct training, which has been piloted in the headquarters and will be expanded to cover also other Harvia units during 2025. All new employees are familiarized with the Code of Conduct as part of the orientation program. Harvia’s suppliers and partners are familiarized to Harvia’s approach and requirements through Harvia’s Supplier Code of Conduct. All trainings on anti-corruption and anti-bribery have covered topics on definition of corruption and bribery, company policies and guidelines and what to do when suspecting or detecting possible violations.

To prevent potential corruption and bribery cases, the personnel is advised to consult with the Chief Financial Officer of Harvia Group or the local managing director before entertaining guests or business partners, or being invited to one by a business partner, in case the personnel feel uncertain of the correct way to act. In addition, entertaining a public authority in any capacity always requires special advance consideration and is subject to Harvia Group’s Chief Financial Officer’s or the local managing director’s consent. Any risk of possible violation shall be reported in the anonymous whistleblowing channel.

Harvia has processes and internal controls guidelines and procedures in place to prevent and detect corruption or bribery. For example, competitive tendering and transparent price comparison are required in procurement. Unexplained variance in unit’s profitability or when significant matters rely too much on one person also warrants closer scrutiny. During mergers and acquisitions (M&As) a comprehensive due diligence is made to detect any conflicts with Harvia’s business ethics. Harvia Group does not have its own internal audit function. As far as feasible, the financial organization of Harvia also carries out internal audits on corruption and bribery. If allegations or reported incidents arise, the matter is discussed with senior management and investigated. Action is taken on the results of the investigation, and the results are reported to the administrative, management and supervisory bodies as appropriate and relevant.

Harvia has identified that the functions most vulnerable to corruption and bribery from its internal operations are the management, those that procure materials, supplies and services, as well as sales operations, based on the high level of decision-making authority and potential for influence. These functions cover the anti-corruption

and anti-bribery topics in team meeting discussions on a regular basis to ensure the consistent awareness and application of the policies and practices. Harvia estimates that 80% of functions-at-risk are covered by training on anti-corruption and anti-bribery. All employees working in these functions receive training on the relevant topic, which are addressed in meetings. Some individuals, e.g., new employees outside the headquarters may not have received the training. Top Management and employees working in these functions at the headquarters, Harvia Finland, have already completed the online training. When the new online training will be implemented in all units during 2025, Harvia will have more reliable data on this. The Board of Directors approves the Code of Conduct and, in doing so, demonstrates their understanding of anti-corruption and anti-bribery principles. This approval reflects their awareness of relevant regulations, ethical standards, and best practices in preventing misconduct. Harvia has not organized a dedicated anti-corruption and anti-bribery training for the Board of Directors during 2024. Harvia has not had any cases or convictions related to corruption or bribery in 2024.

Actions and resources related to business conduct

To address the actual or potential impacts and the risks and opportunities described in chapter "General disclosures" section "Material impacts, risks and opportunities", Harvia has conducted several actions which are continuous and divided and listed below based on the subtopics defined in the ESRS 1, Appendix A, that they are most material to.

CORPORATE CULTURE

- **Harvia Code of Conduct and responsible business.** The training is part of the new employee onboarding and Harvia requires completion of the training

bi-annually from all its employees. The online training platform was piloted at the end of 2023 in the headquarters and will be expanded to cover also other Harvia units during 2025. The current completion rate for employees with access to the training is 70%, which is approximately 26% of all Group employees. The Group Management Team, including the CEO, has conducted the Code of Conduct e-learning program. All Harvia employees are expected to have the training completed by the end of 2025.

- **Commitment to employee well-being and satisfaction.** Harvia evaluates its corporate culture by conducting an extensive employee engagement survey every two years and an employee NPS in the years between. The employee engagement survey includes four indices: Commitment, Leadership, Performance, and Engagement. The results of the survey provide guidelines for the development of personnel activities and internal communication, which play an important role in fostering Harvia's corporate culture. In 2024 Harvia conducted the eNPS survey resulting at 10, which gives the company a benchmark for the future. The scale is -100 to 100. The overall response rate declined from the extensive employee engagement survey conducted in 2023 by 10 percentage points to 56%.
- **Customer satisfaction survey.** Harvia strives to continuously improve its services and operations and conducts annually a Group wide customer satisfaction survey for its business-to-business customers to gain valuable feedback about Harvia as a business partner. The customer satisfaction survey was conducted across the Group for the second time in 2024. The survey was sent to over 11,000 reseller customers. The response rate was 7%. Overall,

Harvia Group's customer satisfaction is at a high level, but there was variation between the brands and markets. The Group's average NPS increased to 71 from 69 in 2023.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS INCLUDING PAYMENT PRACTICES

- **Supplier Code of Conduct.** 87% of existing suppliers of goods and services at Harvia have agreed to comply with the Code of Conduct, which is also a prerequisite for new suppliers. The company's goal is that all suppliers whose annual purchases by Harvia total at least 20,000 euros have committed to the Code of Conduct by 2027.
- **Supplier visits, audits and assessments.** Harvia visits, audits or assesses its existing and new suppliers according to company guidelines to gain better view to manage the supplier's integrity, to mitigate risks, identify and seize possible opportunities and drive positive ESG impact. They also strengthen the mutual respect, trust and deeper understanding of the needs and expectations of one another promoting long-term partnerships.

CORRUPTION AND BRIBERY

- **Training.** Harvia has an online Code of Conduct training that all employees are required to complete bi-annually. The training will be expanded to cover all Harvia units during 2025
- **Whistleblowing channel for reporting possible grievances.** Harvia has a whistleblowing channel through which Harvia Group employees or external stakeholders can report any matter they find unethical or suspected misconduct. Reports can be made anonymously, and they are treated as confidential. During 2024, no reports were made through the whistleblowing channel.

Targets related to business conduct

In 2021 Harvia set Supplier Code of Conduct commitment target related to business conduct as part of Harvia’s Sustainability Program for 2022-2025.

Target	2021 Base year	2023	2024	Change to base year	2027 Target
Suppliers committed to Supplier Code of Conduct (%)	55	74	87	32	100

Supplier Code of Conduct

Harvia requires that all its suppliers act responsibly and that its suppliers commit to the Harvia Supplier Code of Conduct, which is divided into ethics, corruption, labor force, health and safety, and environment. Commitment to the suppliers own respective code of conduct is also accepted, when the ethical principles are similar to Harvia’s Supplier Code of Conduct. The commitment includes suppliers of materials, components, goods and services and covers all Harvia Group companies. The target percentage is the suppliers committed to the Supplier Code of Conduct compared to all suppliers with annual purchases at least 20,000 euros. Local units are responsible for monitoring if the limit is exceeded based on the purchases and report to the Group level. The signed commitments are stored in Group’s contract management database. Thermasol and Harvia Japan have not been included in the 2024 reporting but will be in 2025. The vast majority (87%) of existing suppliers of goods and services have agreed to comply with the Harvia Supplier Code of Conduct, and compliance is a prerequisite for new suppliers.

The company’s goal is that all suppliers whose annual purchases by Harvia total at least 20,000 euros have committed to the Code of Conduct by 2027. Commitment to the Supplier Code of Conduct has increased by 32% since the base year. The metric is not validated by an external body other than the assurance provider.

When setting the target Harvia has considered alignment with the International Frameworks such as UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and ILO labor standards. Also, stakeholder views and expectations have been considered by involving people at Harvia who regularly interact with different stakeholders and thus understand their expectations and needs, but stakeholders have not been directly involved. Stakeholders expect Harvia to act responsibly when it comes to any business conduct -related topics. There have been no changes in the target or corresponding metrics.

Payment practices

Harvia’s payment terms are typically between 14 to 60 days. 14 days is typical for small size service providers and entrepreneurs, 30 days to medium-sized companies and longer than 30 days payment terms for the remainder. Harvia does not have Group wide standard payment terms.

The average time Harvia takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated is estimated to be close to 30 days. The effort required to collect this information accurately and reliably in the entire Group would be disproportionate. Reporting will be

developed to make the information more accessible in the future.

Harvia is not a party to any legal proceedings due to late payments.

Appendices

APPENDIX 1: TABLE OF DUE DILIGENCE MAPPING

CORE ELEMENTS OF DUE DILIGENCE	Chapter in the sustainability statement	Page
Embedding due diligence in governance, strategy and business model	ESRS2 General Disclosures	65-67, 69
	G1 Business conduct	106-107
Engaging with affected stakeholders in all key steps of the due diligence	ESRS2 General disclosure	71-72
	G1 Governance	106-107
Identifying and assessing adverse impacts	ESRS2 General disclosure	81
	E1 Climate Change	82-83
	E5 Resource use and circular economy	83
	G1 Governance	84, 106-107
Taking actions to address those adverse impacts	E1 Climate Change	87-90
	E5 Resource use and circular economy	95
	G1 Governance	109
Tracking the effectiveness of these efforts and communicating	E1 Climate Change	87-93
	E5 Resource use and circular economy	95-98
	G1 Governance	108-109

APPENDIX 2: TABLE OF DISCLOSURE REQUIREMENTS IN ESRs COVERED BY SUSTAINABILITY STATEMENTS

The following table lists the disclosure requirements of the European Sustainability Reporting Standards (ESRS) that Harvia has followed in preparing this sustainability statement based on double materiality, as well as information on those disclosure requirements that Harvia has assessed as immaterial based on double materiality. In addition, the table indicates the phased-in disclosure requirements permitted by the ESRS.

The table can be used to navigate to information regarding the disclosure requirements in the sustainability statement.

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS 2	General disclosures		
BP-1	General basis for preparation of the sustainability statement	59	Material
BP-2	Disclosures in relation to specific circumstances	59-64	Material
GOV-1	The role of the administrative, management or supervisory bodies	66-67	Material
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	67	Material
GOV-3	Integration of sustainability-related performance in incentive schemes	67-68	Material
GOV-4	Statement on due diligence	68-69, 109	Material
GOV-5	Risk management and internal controls over sustainability reporting	69	Material
SBM-1	Strategy, business model and value chain	69-71	Material
SBM-2	Interests and views of stakeholders	71-72	Material
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72-80	Material
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	81-85	Material
IRO-2	Disclosure requirements in ESRS covered by the company's sustainability statement	85	Material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS E1	Climate change		
E1. ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	68	Material
E1-1	Transition plan for climate change mitigation	87-88	Material
E1. ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72-75, 84-85	Material
E1. ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	82-83	Material
E1-2	Policies related to climate change mitigation and adaptation	88-89	Material
E1-3	Actions and resources in relation to climate change policies	89-90	Material
E1-4	Targets related to climate change mitigation and adaptation	90	Material
E1-5	Energy consumption and mix	91	Material
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	91	Material
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	-	Non-material
E1-8	Internal carbon pricing	-	Non-material
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in	Material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS E2 Pollution			
E2. ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities related to pollution	81-82, 84	Material
E2-1	Policies related to pollution	-	Non-material
E2-2	Actions and resources related to pollution	-	Non-material
E2-3	Targets related to pollution	-	Non-material
E2-4	Pollution of air, water and soil	-	Non-material
E2-5	Substances of concern and substances of very high concern	-	Non-material
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	-	Non-material
ESRS E3 Water and marine resources			
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	81-82, 84	Material
E3-1	Policies related to water and marine resources	-	Non-material
E3-2	Actions and resources related to water and marine resources	-	Non-material
E3-3	Targets related to water and marine resources	-	Non-material
E3-4	Water consumption	-	Non-material
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	-	Non-material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS E4 Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	-	Non-material
E4. ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-	Material
E4. ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystems-related impacts, risks and opportunities	81-82, 84	Non-material
E4-2	Policies related to biodiversity and ecosystems	-	Non-material
E4-3	Action and resources related to biodiversity and ecosystems	-	Non-material
E4-4	Targets related to biodiversity and ecosystems	-	Non-material
E4-5	Impact metrics related to biodiversity and ecosystems change	-	Non-material
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	-	Non-material
ESRS E5 Resource use and circular economy			
E5. ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	81-83	Material
E5-1	Policies related to resource use and circular economy	94	Material
E5-2	Actions and resources related to resource use and circular economy	94	Material
E5-3	Targets related to resource use and circular economy	95	Material
E5-4	Resource inflows	95-96	Material
E5-5	Resource outflows	97-98	Material
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in	Material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS S1 Own workforce			
S1. ESRS 2 SBM-2	Interests and views of stakeholders	71-72	Material
S1. ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72-77	Material
S1-1	Policies related to own workforce	Phase-in	Material
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Phase-in	Material
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Phase-in	Material
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Phase-in	Material
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in	Material
S1-6	Characteristics of the undertaking's employees	Phase-in	Material
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Phase-in	Material
S1-8	Collective bargaining coverage and social dialogue	Phase-in	Material
S1-9	Diversity metrics	Phase-in	Material
S1-10	Adequate wages	Phase-in	Material
S1-11	Social protection	Phase-in	Material
S1-12	Persons with disabilities	Phase-in	Material
S1-13	Training and skills development metrics	Phase-in	Material
S1-14	Health and safety metrics	Phase-in	Material
S1-15	Work-life balance metrics	Phase-in	Material
S1-16	Compensation metrics (pay gap and total compensation)	Phase-in	Material
S1-17	Incidents, complaints and severe human rights impacts	Phase-in	Material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS S2 Workers in the value chain			
S2. ESRS 2SBM-2	Interests and views of stakeholders	71-72	Material
S2. ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72, 78	Material
S2-1	Policies related to value chain workers	Phase-in	Material
S2-2	Processes for engaging with value chain workers about impacts	Phase-in	Material
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Phase-in	Material
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Phase-in	Material
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in	Material
ESRS S3 Affected communities			
ESRS 2 SBM-2	Interests and views of stakeholders	71-72	Material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-	Non-material
S3-1	Policies related to affected communities	-	Non-material
S3-2	Processes for engaging with affected communities about impacts	-	Non-material
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	-	Non-material
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	-	Non-material
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	-	Non-material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
S4	Consumers and end-users		
ESRS 2 SBM-2	Interests and views of stakeholders	71-72	Material
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	72-79	Material
S4-1	Policies related to consumers and end-users	Phase-in	Material
S4-2	Processes for engaging with consumers and end-users about impacts	Phase-in	Material
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Phase-in	Material
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Phase-in	Material
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in	Material

Datapoint	Disclosure requirement	Page number / Phase-in	Material / Non-material
ESRS G1	Business conduct		
G1. ESRS GOV-1	The role of the administrative, supervisory and management bodies	65-66	Material
G1. ESRS IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	81-82, 84	Material
G1-1	Corporate culture and business conduct policies and corporate culture	104-107	Material
G1-2	Management of relationships with supplier	108	Material
G1-3	Prevention and detection of corruption and bribery	108-109	Material
G1-4	Confirmed incidents of corruption or bribery	109	Non-material
G1-5	Political influence and lobbying activities	-	Non-Material
G1-6	Payment practices	110	Material

Appendix 3: Table of datapoints that derive from other EU legislation

The following table includes all other data points derived from EU legislation listed in Annex B of ESRS 2. The table shows where the data points can be found in Harvia’s sustainability statement and which data points have been assessed as immaterial based on the double materiality analysis. If Harvia does not yet have information related to a specific data point, it is marked with a hyphen (-).

Disclosure requirement	Datapoint	Sustainability information	Location and page number	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS 2 GOV-1	21 (d)	The board’s gender diversity	65	x		x	
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	65			x	
ESRS 2 GOV-4	30	Statement of due diligence	68-69	x			
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel	Non-material	x	x	x	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Non-material	x		x	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Non-material	x		x	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Non-material			x	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	84-85				x
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks	Non-material		x	x	
ESRS E1-4	34	GHG emissions reduction targets	-	x	x	x	
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	91	x			
ESRS E1-5	37	Energy consumption and mix	91	x			
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	91	x			
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	91	x	x	x	
ESRS E1-6	53-55	Gross GHG emissions intensity	92	x	x	x	
ESRS E1-7	56	GHG removals and carbon credits	Non-material				x
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	-			x	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk	-		x		
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	-		x		
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	-			x	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	Non-material	x			
ESRS E3-1	9	Water and marine resources	Non-material	x			
ESRS E3-1	13	Dedicated policy	Non-material	x			
ESRS E3-1	14	Sustainable oceans and seas	Non-material	x			
ESRS E3-4	28 (c)	Total water recycled and reused	Non-material	x			
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	Non-material	x			

Disclosure requirement	Datapoint	Sustainability information	Location and page number	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS 2 SBM-3 - E4	16 (a) i		Non-material	x			
ESRS 2 SBM-3 - E4	16 (b)		Non-material	x			
ESRS 2 SBM-3 - E4	16 (c)		Non-material	x			
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Non-material	x			
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Non-material	x			
ESRS E4-2	24 (d)	Policies to address deforestation			x		
ESRS E5-5	37 (d)	Non-recycled waste	98	x			
ESRS E5-5	39	Hazardous waste and radioactive waste	98	x			
ESRS 2 SBM-3 - S1	14 (f)	Risk of incidents of forced labour	-	x			
ESRS 2 SBM-3 - S1	14 (g)	Risks of incidents of child labour	-	x			
ESRS S1-1	20	Human rights policy commitments	-	x			
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions	-			x	
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	-	x			
ESRS S1-1	23	Workplace accident prevention policy or management system	-	x			
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	-	x			
ESRS S1-14	88 (b) & (c)	Number of fatalities and number and rate of work-related accidents	-	x		x	
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	-	x			
ESRS S1-16	97 (a)	Unadjusted gender pay gap	-	x		x	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	-	x			
ESRS S1-17	103 (a)	Incidents of discrimination	-	x			
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	-	x		x	
ESRS 2 SBM-3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	-	x			
ESRS S2-1	17	Human rights policy commitments	-	x			
ESRS S2-1	18	Policies related to value chain workers	-	x			
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	-	x		x	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental ILO Conventions	-			x	
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	-	x			
ESRS S3-1	16	Human rights policy commitments	-	x			
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Non-material	x		x	

Disclosure requirement	Datapoint	Sustainability information	Location and page number	Reference to other EU legislation			
				SFDR	Pillar 3	Benchmark Regulation	EU Climate Law
ESRS S3-4	36	Human rights issues and incidents	Non-material	x			
ESRS S4-1	16	Policies related to consumers and end-users	-	x			
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	-	x		x	
ESRS S4-4	35	Human rights issues and incidents	-	x			
ESRS G1-1	10 (b)	Principles for anti-corruption or anti-bribery consistent with the UN Convention against Corruption	108	x			
ESRS G1-1	10 (d)	Protection of whistle- blowers	107	x			
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	109	x		x	
ESRS G1-4	24 (b)	Standards of anti- corruption and anti-bribery	-	x			

Share capital and shares

Harvia's registered share capital is EUR 80,000 and at the end of the review period, the company held 18,694,236 (December 31, 2023: 18,694,236) shares. All shares have equal rights to dividends and to the company assets. The ticker symbol for the shares is HARVIA and their ISIN code is FI4000306873. Harvia has one series of shares, and each share entitles to one vote in the company's general meeting.

The company's shares are included in a book-entry system. The share trading volume on Nasdaq Helsinki in January-December was EUR 311.4 million (205.2) and 8,089,223 shares (8,997,433). The share's volume weighted average price during the review period was EUR 38.50 (22.81), the highest price was EUR 47.90 (28.08) and the lowest EUR 25.18 (17.41). The closing price of the share at the end of December 2024 was EUR 42.85 (27.20). The market value of the share

capital on 31 December 2024 was EUR 801.0 million (508.5) including own shares.

On 6 June 2024, the Board of Directors of Harvia Plc decided on a directed share issue without consideration for the payment of rewards earned under the company's share-based incentive program. The share payments concerned the performance period 2021-2023 of the company's share-based incentive program launched in 2021. In the share issue, 865 own shares held by the company were transferred without consideration to the key employees participating in the share-based incentive program in accordance with the program-specific terms and conditions.

In December 2024, Harvia acquired a total of 11,000 own shares for an average price of EUR 43.88 per

share. The shares were acquired at a market price between 10 December and 12 December 2024, through public trading on Nasdaq Helsinki Ltd. The repurchased shares were acquired based on the authorization given by the Annual General Meeting on 26 April 2024 and shall be used as a part of the company's incentive program. Following the repurchase, Harvia Plc holds a total of 15,207 own shares, corresponding to 0.08% of the total number of shares.

The number of registered shareholders at the end of December 2024 was 31,716 (41,328), including nominee registers. At the end of the review period, nominee-registered and direct foreign shareholders held 49.7% (44.1) of the company's shares. The ten largest shareholders held a total of 22.6% (21.1) of Harvia's shares and votes.

Shareholder profile 31 December 2024	Total %	Total pcs
Foreign holding and nominee-registered	49.68	9,268,622
Households	20.66	3,862,834
Companies	14.83	2,772,987
Financial institutions and insurance companies	14.74	2,755,041
General Government	0.01	1,545
Harvia Plc own shares	0.08	15,207
Total	100.00	18,694,236

Shareholders on 31 December 2024	Pcs	Percentage of shares and votes
ONVEST OY	821,689	4.40
WESTSTAR OY	569,942	3.05
NORDEA NORDIC SMALL CAP FUND	568,206	3.04
EVLI FINNISH SMALL CAP FUND	558,000	2.98
EVLI FINLAND SELECT FUND	355,563	1.90
TIIPETI OY	342,790	1.83
ELO KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ	276,000	1.48
KESKINÄINEN ELÄKEVAKUUTUSYHTIÖ ILMARINEN	269,820	1.44
KTR-INVEST OY	242,625	1.30
MANTEREENNIEMI OY	214,645	1.15
PAJUJARJU TAPIO OLAVI	175,000	0.94
VESTERINEN ARI JUHANI	149,664	0.80
HARVIA TIMO TAPIO	102,385	0.55
AHONEN KARL DAVID	99,472	0.53
KESKINÄINEN TYÖELÄKEVAKUUTUSYHTIÖ VARMA	80,069	0.43
Total	4,825,870	25.815

* Note that approx. 45% of Harvia's shareholders are nominee-registered, and all the major nominee registered shareholders are not listed here.

Management holdings

Members of the Board of Directors, CEO, the Group Management Team, and the companies under their control owned on 31 December 2024 a total of 507,816 Harvia shares, corresponding to 2.7 percent of shares and votes in the company. (31 Dec 2023: 568,993 shares and 3.0%)

Calculation of key figures and reconciliation of alternative performance measures

Alternative performance measures i.e. performance measures not based on financial statements standards provide meaningful supplemental information by excluding items that may not be indicative of the operating result or cash flows of Harvia.

Alternative performance measures enhance comparability from period to period and are frequently used by analysts, investors and other parties. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

EUR thousand	1-12/2024	1-12/2023
Operating profit	35,486	33,044
Depreciation and amortisation	6,976	6,254
EBITDA	42,445	39,298
Items affecting comparability		
Business transactions related expenses	1,565	231
Restructuring expenses	50	395
Total items affecting comparability	1,615	626
Adjusted EBITDA	44,060	39,924
Depreciation and amortisation	-6,976	-6,254
Adjusted operating profit	37,100	33,670
Finance costs, net	-3,605	-3,511
Adjusted profit before income taxes	33,495	30,159

CALCULATION OF KEY FIGURES

Key figure	Definition
Items affecting comparability	Material items outside the ordinary course of business, which relate to i) costs related to the listing ii) strategic development projects, iii) acquisition and integration related expenses, iv) restructuring expenses and v) net gains or losses on sale of assets and grants received.
Adjusted operating profit	Operating profit before items affecting comparability.
Adjusted EBITDA	EBITDA before items affecting comparability.
Adjusted profit before income taxes	Profit before income taxes excluding items affecting comparability.
Earnings per share, undiluted	Profit for the period attributable to the owners of the parent divided by weighted average number of shares outstanding.
Earnings per share, diluted	Profit for the period attributable to the owners of the parent divided by weighted average number of shares outstanding taken into consideration the effects associated with any parent company's obligations regarding the possible share issue in the future.
Net debt	Lease liabilities and current and non-current loans from credit institutions less cash and cash equivalents.
Leverage	Net debt divided by adjusted EBITDA (12 months).
Net working capital	Inventories, trade and other receivables less trade and other payables.
Capital employed excluding goodwill	Capital employed excluding goodwill is total equity and net debt less goodwill.
Adjusted return on capital employed (ROCE)	Adjusted operating profit (12 months) divided by average capital employed excluding goodwill.
Operating free cash flow	Adjusted EBITDA added/subtracted by the change in net working capital in consolidated statement of cash flows less investments in tangible and intangible assets.
Cash conversion	Operating free cash flow divided by adjusted EBITDA.
Equity ratio	Total equity divided by total assets less advances received.
Return on Equity (ROE)	Profit for the period divided by average total equity
Equity ratio	Total equity divided by total assets less advances received.
Return on Equity (ROE)	Profit for the period divided by average total equity

Consolidated financial statements IFRS

Consolidated statement of comprehensive income

EUR thousand	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Revenue	2.1	175,206	150,547
Other operating income	2.3	1,001	864
Materials and services	2.3	-62,602	-56,101
Employee benefit expenses	2.3	-35,213	-28,919
Other operating expenses	2.3	-35,929	-27,093
Depreciation and amortization	2.4	-6,976	-6,254
Operating profit		35,486	33,044
Share in profits and losses of associated companies		-76	-242
Finance income	5.4	1,959	795
Finance costs	5.4	-4,601	-3,929
Changes in fair values	5.1	-887	-136
Finance costs, net		-3,605	-3,511
Profit before income taxes		31,880	29,533
Income taxes	6.3	-7,638	-6,253
Profit for the period		24,242	23,280
Attributable to:			
Owners of the parent		24,242	23,271
Non-controlling interests		0	10

EUR thousand	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences	6.4	2,778	-1,785
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses	5.6	-156	124
Gains and losses on cash flow hedges		-4	0
Other comprehensive income, net of tax		2,618	-1,662
Total comprehensive income		26,860	21,619
Attributable to:			
Owners of the parent		26,860	21,609
Non-controlling interests***		0	10
Earnings per share for profit attributable to the owners of the parent:			
Basic EPS (EUR)	2.5	1.30	1.25
Diluted EPS (EUR)	2.5	1.29	1.24

The notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

EUR thousand	Note	31-Dec-2024	31-Dec-2023
ASSETS			
Non-current assets			
Intangible assets	3.2	16,874	8,704
Goodwill	3.2	91,046	73,402
Property, plant and equipment	3.3	28,173	26,904
Right-of-use assets	3.4	8,092	2,488
Investments in associated companies	3.1	0	460
Derivative financial instruments	5.1	982	1,869
Deferred tax receivables	6.3	841	1,045
Total non-current assets		146,007	114,872
Current assets			
Inventories	4.1	49,151	35,480
Trade and other receivables	4.2	22,278	18,697
Income tax receivables		626	4,634
Cash and cash equivalents	5.2	46,447	40,581
Total current asset		118,502	99,392
Total assets		264,509	214,264

EUR thousand	Note	31-Dec-2024	31-Dec-2023
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	6.4	80	80
Other reserves	6.4	35,935	32,414
Retained earnings	6.4	62,583	51,810
Profit for the period	6.4	24,242	23,271
Total equity attributable to owners of the parent		122,840	107,575
Non-controlling interests	6.4	1,244	1,082
Total equity		124,085	108,656
Liabilities			
Non-current liabilities			
Loans from credit institutions	5.1	95,400	75,404
Lease liabilities	3.4	7,307	1,981
Derivative financial instruments	5.1	4	0
Deferred tax liabilities	6.3	2,773	1,182
Employee benefit obligations	5.6	1,754	1,671
Other non-current liabilities	5.1	2,965	202
Provisions	3.5	979	277
Total non-current liabilities		111,182	80,716
Current liabilities			
Loans from credit institutions	5.1	5	6
Lease liabilities	3.4	951	760
Employee benefit obligations	5.6	159	176
Income tax liabilities		1,359	5,662
Trade and other payables	4.3	26,474	18,045
Provisions	3.5	295	242
Total current liabilities		29,243	24,891
Total liabilities		140,425	105,607
Total equity and liabilities		264,509	214,264

The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

EUR thousand	Note	Attributable to owners of the parent					Equity attributable to owners of the parent	Non-controlling interests	Total
		Share capital	Fair value reserve	Invested unrestricted equity reserve	Translation differences	Retained earnings			
Equity at 1 January 2023		80		32,562	865	63,766	97,273	1,072	98,345
Share-based incentive plan				995			995		995
Dividend distribution						-11,956	-11,956		-11,956
Share-based payments				-346			-346		-346
Total transactions with shareholders	6.4			649		-11,956	-11,307		-11,307
Profit for the period						23,271	23,271	10	23,280
Actuarial gains and losses	5.6			124			124		124
Translation differences	6.4				-1,785		-1,785		-1,785
Total comprehensive income				124	-1,785	23,271	21,609	10	21,619
Equity at 31 December 2023		80		33,334	-921	75,081	107,575	1,082	108,656
Equity at 1 January 2024		80		33,334	-921	75,081	107,575	1,082	108,656
Share-based incentive plan				1,430			1,430		1,430
Dividend distribution						-12,709	-12,709		-12,709
Prior year adjustment						210	210		210
Repurchase of own shares				-483			-483		-483
Share-based payments				-43			-43		-43
Total transactions with shareholders	6.4			903		12,499	-11,595		-11,595
Profit for the period						24,242	24,242		24,242
Acquisitions								163	163
Gains and losses on cash flow hedges, net of tax			-4				-4		-4
Actuarial gains and losses	5.6			-156			-156		-156
Translation differences					2,778		2,778		2,778
Total comprehensive income			-4	-156	2,778	24,242	26,860		26,860
Equity at 31 December 2024		80	-4	34,081	1,857	86,825	122,840	1,244	124,085

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

EUR thousand	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flows from operating activities			
Profit before taxes		31,880	29,533
Depreciation and amortization	2.4	6,976	6,254
Finance income and finance costs	5.4	3,605	3,511
Other adjustments		163	310
Cash flows before changes in working capital		42,625	39,608
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	4.2	-589	-1,395
Increase (-) / decrease (+) in inventories	4.1	-8,745	10,108
Increase (+) / decrease (-) in trade and other payables	4.3	6,418	-912
Cash flows from operating activities before financial items and taxes		39,709	47,409
Interest and other finance costs paid		-56	-26
Interest and other finance income received		188	100
Income taxes paid	6.3	-8,173	-8,343
Net cash from operating activities		31,668	39,139

EUR thousand	Note	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Cash flows from investing activities			
Purchases of tangible and intangible assets	3.2, 3.3	-6,149	-3,124
Sale of tangible and intangible assets		8	89
Acquisition of subsidiaries, net of cash acquired	3.1	-24,908	-2,801
Dissolution of an associated company, net of cash		61	
Interest and other finance costs received		938	
Net cash from investing activities		-30,050	-5,835
Cash flows from financing activities			
Proceeds from non-current loans	5.1	20,000	925
Repayment of non-current liabilities	5.1	71	-850
Change in current liabilities	5.1	-1	-2,011
Repayment of lease liabilities	3.4	-927	-765
Interest and other finance costs paid		-2,727	-2,928
Dividends paid	6.4	-12,709	-11,956
Net cash from financing activities		3,708	-17,585
Net change in cash and cash equivalents			
Cash and cash equivalents at 1 January	5.2	40,581	25,310
Exchange gains/losses on cash and cash equivalents		540	-447
Cash and cash equivalents at 31 December		46,447	40,581

The notes are an integral part of these consolidated financial statements.

Notes to Financial Statements

This section presents the Group's accounting policies to the extent that they are not disclosed in other notes. These principles have been applied consistently in all the periods presented, unless otherwise stated.

Section 1: Basis Of Preparation

1.1 GENERAL INFORMATION

Harvia Plc (the "Parent company") is a Finnish limited liability company and the parent company of the Harvia Group ("Harvia", "Harvia Group" or the "Group"). The registered address of Harvia Plc is Teollisuustie 1-7, PO BOX 12, 40951 Muurame, Finland.

Harvia is a leading global sauna and spa company with five brands well known in the market: Harvia, EOS, Almost Heaven Saunas, Kirami, and ThermaSol. For the past 70 years, Harvia has expanded its operations from the manufacturer of heaters to a provider of wide range of saunas and spa products. Harvia's products are exported to over 90 countries. The Group's product range includes sauna heaters, sauna rooms, infrared and steam saunas, steam showers, spa components, control units, heater stones, sauna accessories and sauna interior solutions such as sauna benches, audio speakers and lighting solutions. The Group also provides a limited range of sauna installation, maintenance and repair services. At the end of the financial year 2024 the company had 696 employees (31 December 2023: 605), of which 255 (238) worked in Finland, 145 (76) in the United States, 125 (116) in Germany, 61 (67) in Romania,

56 (57) in China and Hong Kong, 34 (31) in Austria, 12 (12) in Italy, 6 (6) in Estonia and 2 (2) in Sweden.

Harvia Plc is the parent company of the Group. The following subsidiaries are consolidated to the Group's financial statements:

- Harvia Group Oy which is the second management company of the Group
- Harvia Finland Oy, manufacturing heaters and sauna and steam bath products
- Harvia Austria GmbH (previously Sentiotec GmbH) subgroup specialised in control units, sauna products and electric heaters (acquired on 4 November 2016)
- Harvia (HK) Sauna Co. Ltd subgroup manufacturing sauna heaters, steam generators and components of similar equipment
- Harvia Estonia Oü manufacturing steam room equipment and sauna products
- LLC Harvia RUS, a former sales company. The company has not been operative since Harvia's exit from Russia in 2022.

- Holding company Harvia US Holdings Inc. and sauna manufacturing company Harvia US Inc. The company also sells Harvia sauna products in the United States. The companies were established in November 2018.
- Harvia Holding GmbH was established in February 2020 and is parent of EOS Saunatechnik GmbH in Germany. EOS manufactures heaters and other sauna products. (78.6% acquired on 30 April 2020, in July 2022 Harvia acquired the minority shareholding)
- Kirami Oy subgroup manufacturing Finnish still-water hot tubs (acquired on 28 May 2021)
- Sauna-Eurox and Parhaat Lölyyt Oy specializing in selling heater stones (acquired on 31 August 2021)
- Harvia Japan Limited, a company selling heaters and saunas (established in August 2023)
- Phoenix El-Mec srl, a manufacturer of electro-mechanical timers (acquired on 29 September 2023)
- Holding company TS Spa Holdings LLC (established in July 2024) and ThermaSol Steam Bath LLC, a manufacturer of high-end steam showers and steam rooms (acquired on 31 July 2024).

The parent company Harvia Plc is a Finnish public company, established according to the Finnish legislation. Harvia Plc shares are traded at NASDAQ OMX Helsinki main list. The consolidated financial statements are available at the head office at Teollisuustie 1-7, 40950 Muurame and on the Group's website harviagroup.com.

The Board of Directors of Harvia Plc has approved these consolidated financial statements for issue on 12 February 2025. Under the Finnish Limited Liability Companies Act, shareholders can approve or disapprove the consolidated financial statements in the Annual General Meeting held after the release. The Annual General Meeting is also entitled to amend the consolidated financial statements.

1.2 ACCOUNTING POLICIES

The consolidated financial statements of Harvia Group have been prepared in accordance with International Financial Accounting Standards (IFRS) as adopted by the European Union. IFRS Accounting Standards refer to the standards and interpretations applicable by corporations set out by the Finnish Accounting Act and other regulations set out on basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation complementing the IFRS Accounting Standards.

The figures presented in the financial statements are rounded and therefore the sum of individual figures may differ from the presented sum figure.

How should Harvia Group's accounting policies be read?

Harvia Group's accounting policies for the financial statements are described in conjunction with each note in order to provide enhanced understanding of each accounting area. The following table summarizes the note in which each accounting policy is presented and the relevant IFRS Accounting Standard.

Accounting principle	Note	IFRS standard
Revenue	2.1 Revenue	IFRS 15
Employee benefits	2.3 Other income and expense items 5.6 Defined benefit obligations	IAS 19
Business combinations	3.1 Business combinations	IFRS 3
Intangible assets	3.2 Intangible assets	IAS 36, IAS 38
Property, plant and equipment	3.3 Property, plant and equipment	IAS 16, IAS 36
Leases	3.4 Leases	IFRS 16
Provisions	3.5 Provisions	IAS 37
Inventories	4.1 Inventories	IAS 2
Financial assets and liabilities	5.1, 5.2 Financial assets and liabilities	IAS 32, IFRS 7, IFRS 13, IFRS 9
Financial risk management	5.3 Financial risk management	IAS 32, IFRS 7, IFRS 13, IFRS 9
Share based payments	6.2 Related party transactions	IFRS 2
Taxes	6.3 Taxes	IAS 12
Shareholder's equity	6.4 Shareholder's equity	IAS 1

Historical cost convention

The consolidated financial statements of Harvia Group have been prepared on a historical cost basis, unless otherwise stated.

Foreign currency translation

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in thousands of euros unless otherwise stated.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss are translated at average exchange rates, and
- all resulting exchange differences are recognized in other comprehensive income.

New and amended standards and interpretations

Harvia has not applied any new standards or interpretations with material impact on consolidated financial statements.

Harvia has not early adopted any new or amended standards or interpretations that have been issued

but are not yet effective. The new and amended standards and interpretations issued by the IASB that are effective in future periods are not expected to have a material impact on the consolidated financial statements of Harvia when adopted. Harvia intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and are endorsed by the EU.

1.3 CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT MANAGEMENT JUDGMENTS

The Group's most significant accounting policies are primarily described together with the applicable note. The preparation of Harvia Group's consolidated financial statements requires the use of estimates, judgment and assumptions that may affect the application of accounting policies and the recognized amounts of assets and liabilities at the date of the financial statements. In addition, the recognized amounts of revenue and expenses during the periods presented are affected. Actual results may differ from previously made estimates and judgments.

Estimates and judgments are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in all subsequent periods.

The sources of uncertainty and management judgment which have been identified by the Group and which are considered to fulfill these criteria are presented in connection to the items considered to be affected. The table below discloses where to find these descriptions.

Sources of estimation uncertainty and management judgement	Note
Segment reporting	2.2
Research and development expenses	3.2
Provisions	3.5
Defined benefit obligations	5.6
Share-based payments	6.2
Taxes	6.3

Section 2: Group Performance

This section focuses on the results and performance of the Group. The accompanying notes on the following pages explain the different components of the Group’s operating profit and the company’s earnings per share.

COMPONENTS OF OPERATING PROFIT

EUR thousand	2024	% of revenue	2023	% of revenue
Revenue	175,206		150,547	
Other operating income	1,001	1%	864	1%
Materials and services	-62,602	-36%	-56,101	-37%
Employee benefit expenses	-35,213	-20%	-28,919	-19%
Other operating expenses	-35,929	-21%	-27,093	-18%
Depreciation and amortisation	-6,976	-4%	-6,254	-4%
Operating profit	35,486	20%	33,044	22%

2.1 REVENUE

Harvia is the world’s leading sauna and spa company. The Group’s product range includes sauna heaters, sauna rooms, infrared and steam saunas, steam showers and steam rooms, steam sauna and spa components, Scandinavian hot tubs, control units, sauna accessories and sauna interior solutions such as sauna benches, audio speakers and lighting solutions. The Group also provides a limited range of sauna installation, maintenance and repair services. In 2024, the biggest market areas of Harvia were North America and Continental Europe.

Harvia Group’s revenue consists mainly of sales of products. Only minor part comes from sales of sauna installation, maintenance and repair services provided

by Group companies. Harvia sells most of its products to retailers, distributors and sauna builders. A factor that unites different customer groups is the long-term nature of customer relationships. Harvia has customer contracts with clients, but typically the contracts are short term (most typical contract type is an annual contract). Long-term customer relationships are based on customer loyalty. Harvia’s largest customer relationship is based on the customer’s group-level framework agreement. The individual agreements of Group companies with this customer accounted for a total of approximately 9% of the Group’s net sales in 2024 (2023: 10%).

Outside Europe, especially in North America and Asia, the sauna market has developed favorably for the past

several years. The strong growth in North America has been heavily supported by the growing awareness of sauna and its health benefits as well as strong consumer confidence and economic conditions.

In Europe, the market conditions remained rather challenging despite some continuing positive development especially in the professional and more high-end segments. In Northern Europe, the market has been challenging for long especially in Finland, where low activity in the construction and housing market as well as weak consumer confidence have put significant pressure on our sales throughout the year. Despite the challenges, the Northern Europe region still managed to deliver slight growth, driven by Scandinavia and the Baltics.

2.1.1 ACCOUNTING POLICY

Harvia's revenue mainly consists of the sales of sauna and spa products that it has produced. Harvia sells most of its products to retailers, distributors or export companies. Sales of goods are recognized when the control is transferred to the buyer. This is when the goods have been delivered to the buyer. Delivery is deemed to have taken place when the products have been delivered to the agreed location and the risk of obsolescence and damage of products has been transferred to the customer. In addition, for certain contract terms, a transportation service is considered to be a separate performance obligation when control to the goods is transferred to the buyer before the goods are delivered. However, transportation service is typically performed during the same day as control is transferred to the customer and therefore the revenue from goods and transportation service is recognized at the same time.

Amounts disclosed as revenue are net of returns, volume-based marketing subsidies and rebates. Goods are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from sales is recognized based on the price specified in the contract, net of the estimated volume-based discounts. A contract liability is recognized for expected volume discounts and marketing subsidies payable to customers in relation to sales made until the end of the reporting period. Certain wholesale customers are given a right of return in respect of certain campaign products if the goods are not sold within six months after the purchase or the legislation concerning products will change.

Products directly sold to consumers via online shops are subject to a 14-day return policy. A contract liability for the expected refunds to customers is recognized as adjustment to revenue. Accumulated experience is used to estimate and provide for the discounts, volume-based marketing subsidies and returns, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

As for the sold products, they are usually given a payment period between 30 and 120 days which is consistent with the market practice, and thus no finance element is included in the sales. A receivable is recognized when the goods are delivered. This is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Minority of Harvia Group's revenue comes from rendering services, but mainly from installation and maintenance services. Revenue from services is recognized in the accounting period in which the services are rendered.

Marketing subsidies are allocated to allowances included in the revenue and marketing costs included in other expenses. Marketing subsidies determined as the percentage of sales volume and against which marketing services are not obtained, are reducing the revenue. Other marketing subsidies are allocated to operating expenses.

Revenue by sales region

In 2024, Harvia changed its revenue reporting to reflect the new organizational structure as shown below.

EUR thousand	2024	%	2023	%
Northern Europe ¹⁾	43,757	25%	45,447	30%
Continental Europe ²⁾	52,686	30%	50,645	34%
North America ³⁾	62,049	35%	43,449	29%
APAC & MEA ⁴⁾	16,714	10%	11,007	7%
Total	175,206	100%	150,547	100%

1) Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, Lithuania

2) Europe excluding countries specified as Northern Europe

3) The United States and Canada

4) The region Asia-Pacific, Middle East, Africa, and all other countries excluding above

Revenue by product group

EUR thousand	2024	%	2023	%
Heating equipment *	94,012	54%	82,128	55%
Saunas and scandinavian hot tubs	46,758	27%	42,952	29%
Steam products**	10,675	6%	4,573	3%
Accessories and heater stones	12,060	7%	8,812	6%
Spare parts and services	11,700	7%	12,083	8%
Total	175,206	100%	150,547	100%

* Sauna heaters, control units, IR components

** Including steam generators and other steam equipment

Revenue from projects recognized over time was EUR 0 thousand in 2024 (2023: EUR 653 thousand). The Group does not disclose transaction price allocated to fully or partly unfilled performance obligations, because performance obligation is part of a contract where contract period less than one year.

2.2 SEGMENT REPORTING

The Group constitutes a single operating segment. This is consistent with the way that internal reporting is provided to the chief operating decision maker ("CODM") and the way that chief operating decision maker determines allocation of resources and assesses the performance.

2.2.1 SIGNIFICANT MANAGEMENT JUDGEMENT

Determining operating segments

The management of Harvia Group has used judgement when determining the Group's segment reporting. Areas requiring judgement have been the determination of CODM, the decisions made and reports used when managing the Group. The Board of Directors has been determined as

the chief operating decision maker. The Board of Directors, taking into account its composition and its active participation in key strategic and operative decision-making, is responsible for allocating resources and assessing the performance. The management of Harvia Group, using its judgement, has determined that the Group has one operating segment.

The Group's non-current assets are allocated geographically as follows:

EUR thousand	31-Dec-2024	31-Dec-2023
Finland	65,072	82,397
Germany	15,486	16,483
The United States	60,717	6,483
Other European countries	2,884	4,171
Asia	1,848	1,964
Total non-current assets	146,007	111,498

Revenue by geographical areas has been presented in note 2.1.

2.3 OPERATING INCOME AND EXPENSES

This note provides information on other components of operating profit: other operating income, material and service expenses, employee expenses, other operating expenses as well as depreciations and amortizations. Other operating income includes gains on the sale of property, plants and equipment and sales of scrap metal, which is generated from production.

Materials and services in the consolidated statement of comprehensive income consist mainly of purchases of electricity and electronic components such as heating elements, control units and wood timber for saunas. The change in inventories of finished goods and work in progress will adjust the income statement by the cost effect of items booked and removed from inventory

at the end of the period. The most significant items of other operating expenses relate to sales (as sales freight costs and sales related commissions) and marketing.

Harvia's production facilities are characterized by efficient production. Harvia has a long experience in manufacturing of heaters and other sauna and spa products, and the staff is qualified and experienced. The company's operations are highly integrated. Own R&D department is specialized in the development of production process and products. In Muurame, company's own department specialized in tools and machinery used in production ensures the cost-effectiveness of the production equipment and machinery maintenance and repair.

2.3.1 ACCOUNTING POLICY

A defined contribution plan is a pension plan under which the Group pays fixed contributions into pension insurances. The Group has no legal or constructive obligations to pay further contributions if the insurance does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The following table presents the different components of employee expenses:

EUR thousand	2024	2023
Wages and salaries	29,913	23,889
Pension costs	2,496	2,450
Other employee expenses	2,804	2,580
Total	35,213	28,919

Harvia Group employed a total of 696 employees as at 31 December 2024 (2023: 605 employees). Of the total average number of employees in 2024, 308 were officers and 393 workers. The continuing strong growth in North America was reflected in the increasing personnel in the United States, but was seen also in Finland, as the majority of the company's heaters sold in North America are manufactured in the Muurame

factory. The acquisition of ThermaSol at the end of July 2024 increased the personnel in the United States.

Pension plans of the Group employees in Finland, Austria, Germany, Romania, China, USA, Hong Kong and Estonia are defined contribution plans. Harvia has a defined benefit pension plan in Germany, which is described in more detail in the note 5.6.

Other significant expense items are as follows:

Other operating expenses

EUR thousand	2024	2023
Sales and marketing*	19,175	14,413
Travel and cars	1,883	1,257
Plant & machinery maintenance	2,712	2,034
Electricity, heating and water	1,910	1,617
Audit, accounting, consulting and legal expenses	2,938	1,408
Rents	642	495
IT and telecommunication	2,068	1,402
Voluntary staff expenses	985	762
Insurances	943	702
Office & administration	1,221	1,146
Other**	1,451	1,856
Total	35,929	27,093

* Sales and marketing include, among others, warranty costs, sales freight costs, sales commissions, and marketing expenses.

** Other expenses include patent expenses, membership fees, exchange rate differences, and similar.

Audit, accounting, consulting and legal expenses and other expense items include items that are related to the Group's strategic development projects, acquisitions and loss on sales of assets and affect the comparability between the different periods.

The auditor's fees recognized during 2024 to Deloitte Oy amounted to EUR 241 thousand and to PricewaterhouseCoopers Oy EUR 10 thousand (In 2023, fees to PricewaterhouseCoopers: EUR 223 thousand). Of these, EUR 235 thousand were fees to Deloitte relating to statutory audit and EUR 10 thousand to PricewaterhouseCoopers Oy (2023: EUR 197 thousand). EUR 6 thousand of fees were related to auditor opinions and certificates (2023: EUR 0 thousand) and

EUR 0 thousand were related to other fees (2023: EUR 26 thousand). Audit fees paid to other auditors were EUR 69 thousand (2023: EUR 89 thousand) and EUR 18 thousand were related to auditor opinions and certificates (2023: EUR 0 thousand) and EUR 57 thousand were related to other fees. Acquisitions, mergers within the Group, and the corporate sustainability reporting directive (CSRD directive) have increased the auditor's fees.

Harvia Group's research and development department employed an average of 21 persons (2023: 21 persons), and expensed research and development costs totaled EUR 1,759 thousand in the financial year 2024 (2023: EUR 1,714 thousand).

2.4 DEPRECIATION AND AMORTIZATION

2.4.1 ACCOUNTING POLICY

Property, plant and equipment

Land and buildings are recognized at historical cost. Land is not depreciated. Buildings are depreciated over their useful lives.

Machinery and equipment as well as other tangible assets are depreciated over their useful lives. Most machinery and equipment are depreciated in 3 to 10 years and exceptionally long-lasting machines in 20 years. Useful lives are based on estimates of the period over which the assets will generate revenue. Depreciation is recognized on a

straight-line basis based on the cost of the assets and estimated useful lives. Impairment tests for depreciable non-current assets are performed if there are indications of impairment at the balance sheet date. Land areas are also assessed for any possible impairment indicators.

The useful lives of the assets are as follows:

- Buildings 15-30 years
- Machinery and equipment 3-20 years
- Other tangible assets 3-5 years

Intangible assets

Purchased and internally generated intangible assets are recognized at historical cost. Intangible assets acquired in business combinations are measured at fair value at acquisition. Intangible assets are amortized over 10 to 15 years except for capitalized development costs and software licenses, which are amortized in 3 to 5 years.

The following table presents depreciation and amortization by asset class:

EUR thousand	2024	2023
Depreciation by class		
Buildings and constructions	1,017	1,040
Machinery and equipment	1,923	1,852
Other tangible assets	149	111
Total property, plant and equipment	3,089	3,003
Leased buildings and structures	706	463
Leased machinery and equipment	199	220
Total right-of-use assets	905	683

EUR thousand	2024	2023
Amortization by class		
Development costs	489	462
Customer relationships	1,074	1,204
Brand	618	490
Technology	111	68
Other intangible assets	371	343
Impairment charges	318	
Total intangible assets	2,982	2,567
Total depreciation and amortization	6,976	6,254

2.5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the parent company by the weighted average number of shares outstanding during the financial period.

Diluted earnings per share is calculated on the same

basis as basic earnings per share unless it takes into consideration the effects associated with any parent company's obligations regarding the possible share issue in the future.

	2024	2023
Profit for the period attributable to the owners of the parent company, EUR thousand	24,242	23,271
Weighted average number of shares outstanding during the financial period, '000	18,689	18,687
Basic earnings per share, EUR	1.30	1.25
Share-based long-term incentive plan	137	77
Weighted average number of shares outstanding during the year, diluted, '000	18,827	18,764
Diluted earnings per share, EUR	1.29	1.24

Section 3: Capital Employed

This section describes the assets that are required to have to run the business and Harvia’s acquisitions. The information on net working capital is presented in section 4.

3.1 BUSINESS COMBINATIONS

For Harvia, acquisitions are a way to speed up the implementation of its strategy. In 2024, Harvia acquired ThermaSol Steam Bath LLC, which is a leading manufacturer of high-end steam showers and steam rooms in the United States. The acquisition complements Harvia Group’s sauna offering in the

attractive steam segment, supporting the company’s growth in the United States and its leading position as a global sauna solutions provider. The financial results of ThermaSol have been consolidated with Harvia’s figures starting from 31 July 2024.

3.1.1 ACCOUNTING POLICY

The acquisition method is applied for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the shares issued

by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and identifiable liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Identifiable assets include tangible assets as well as intangible

assets, such as customer relationships, brand and technology.

Acquisition related costs are expensed as incurred and presented as other operating expenses in the income statement.

3.1.2 ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENT

Net assets acquired through business combinations are measured at fair value. The measurement of fair value of the acquired net assets is based on market value of similar assets (property, plant and

equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgment and assumptions. The management trusts that the applied estimates and assumptions are sufficiently reliable for determining fair values.

ACQUISITIONS IN 2024

Harvia announced on 22 July 2024 that it had signed an agreement to acquire 100% of the shares of ThermaSol Steam Bath LLC (“ThermaSol”). ThermaSol is a leading manufacturer of high-end steam showers and steam rooms in the United States. The acquisition complements Harvia Group’s sauna offering in the attractive steam segment, supporting the company’s growth in the United States and its leading position as a global sauna solutions provider. The transaction was closed on 31 July 2024.

The purchase price was USD 30.4 million. Harvia financed the acquisition with a bullet loan of EUR 20 million and with cash funds.

Fixed assets amounting to EUR 0.5 million, net working capital items amounting to EUR 4.5 million, and cash and cash equivalents amounting to EUR 1.1 million were transferred in the ThermaSol acquisition. EUR 5.8 million in right-of-use assets was recorded pertaining to a lease agreement. The purchase price allocation pertaining to the acquisition includes intangible assets amounting to EUR 8.3 million with annual amortization of approximately EUR 0.8 million. According to the purchase price allocation, goodwill amounted to EUR 16.9 million.

Purchase price allocation of the acquisition is presented in the following table.

EUR thousand	
Purchase price	28,639
Net identifiable assets acquired	
Non-current assets	
Intangible assets	8,251
Property, plant and equipment	478
Right-of-use assets	5,824
Current assets	
Inventories	4,242
Trade and other receivables	1,510
Cash and cash equivalents	1,103
Total assets	21,409
Non-current liabilities	
Provisions	626
Deferred tax liabilities	1,951
Lease liabilities	5,406
Current liabilities	
Trade and other payables	1,235
Lease liabilities	418
Total liabilities	9,637
Total net assets acquired	11,772
Group’s share of net assets	11,772
Goodwill	16,867
Cash flow impact	
EUR thousand	
Cash consideration of the acquisition	26,011
Cash balance acquired	-1,103
Impact on cash flows - investing activities	24,908

Expenses related to the acquisition totaling EUR 1.5 million are presented under other operating expenses and in operating cash flows in the consolidated statement of cash flows.

Trade and other receivables included trade receivables with a fair value of EUR 1.3 million. At the date of the acquisition, the gross contractual amount for trade receivables was EUR 1.3 million, which is not expected to include uncollectible receivables.

The goodwill of EUR 16.9 million reflects the value of know-how and expertise in steam shower and steam room solutions. The goodwill is not tax deductible.

3.2 INTANGIBLE ASSETS AND IMPAIRMENT TESTING

The majority of the goodwill was recognized in connection to the formation of Harvia group companies in 2014. In 2024, Goodwill increased due to the acquisition of ThermaSol. Harvia also updated its goodwill allocation to cash-generating units by adding a separate unit for Northern America.

3.2.1 ACCOUNTING POLICY

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash generating units (CGU's), that are expected to benefit from the synergies of the combination. This unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Intangible assets

Intangible assets mainly include customer relationships, brands and technology acquired in business combinations that are recognized in fair value at the date of acquisition. These are amortized on a straight-line basis over 10-15 years. Other intangible assets also include capitalised development

expenditures and software licenses and are amortized on a straight-line basis in 3 to 5 years.

Capitalized development costs

Development costs are capitalized when certain criteria related to economic and technical feasibility are met and when it is expected that the product will generate economic benefits in the future. Capitalized development costs mainly include materials, supplies and direct labor costs. Development costs booked earlier as expenses will not be capitalized later. Intangible assets under development are not amortized but are tested for impairment at least annually.

The following tables present the changes in intangible assets including goodwill during the reported periods:

EUR thousand	Goodwill	Development expenditure	Advance payments	Customer relationships	Brand	Technology	Other intangible assets	Total
2024								
Cost at 1 January	73,402	3,771	491	7,391	4,961	746	3,614	94,377
Business combinations	17,580			2,920	4,590	1,090	306	26,485
Additions		311	1,541				63	1,916
Disposals			-54				-40	-95
Reclassifications		166	-527				409	48
Exchange differences	63	4			30		0	98
Cost at 31 December	91,046	4,252	1,451	10,311	9,581	1,836	4,352	122,828
Accumulated depreciation at 1 January		-2,436		-4,818	-1,976	-358	-2,682	-12,271
Amortization		-489		-1,074	-618	-111	-371	-2,664
Disposals							30	30
Exchange differences		6		4	-9	-5	0	-5
Accumulated depreciation at 31 December	0	-2,919	0	-5,889	-2,603	-475	-3,024	-14,909
Net book amount at 1 January	73,402	1,335	491	2,573	2,985	388	932	82,106
Net book amount at 31 December	91,046	1,334	1,451	4,422	6,978	1,361	1,328	107,919

EUR thousand	Goodwill	Development expenditure	Advance payments	Customer relationships	Brand	Technology	Other intangible assets	Total
2023								
Cost at 1 January	73,438	3,260	577	7,391	4,981	746	3,213	93,606
Business combinations								0
Additions		250	368				25	644
Disposals								0
Reclassifications		271	-455				377	193
Exchange differences	-36	-9	0	0	-20	0	-1	-66
Cost at 31 December	73,402	3,771	491	7,391	4,961	746	3,615	94,377
Accumulated depreciation at 1 January		-1,983		-3,614	-1,478	-291	-2,339	-9,705
Amortization		-462		-1,204	-490	-68	-343	-2,567
Exchange differences		9			-8			1
Accumulated depreciation at 31 December		-2,436		-4,818	-1,976	-385	-2,682	-12,271
Net book amount at 1 January	73,438	1,276	577	3,777	3,503	455	875	83,901
Net book amount at 31 December	73,402	1,332	491	2,573	2,985	388	933	82,106

IMPAIRMENT TEST FOR GOODWILL

The allocation of goodwill to the Group's cash-generating units is presented below:

EUR thousand	31-Dec-2024	31-Dec-2023
Northern Europe*	42,476	62,403
Central Europe	10,899	10,999
North America	37,671	
Total	91,046	73,402

* Former Finnish CGU. Comparison period also included the goodwill of Harvia US.

In 2024 due to the ThermaSol acquisition, Harvia updated its goodwill allocation to cash-generating units by adding a separate unit for Northern America and updating the units' names to align with the new organizational structure. Therefore, to carry out impairment testing, the management monitors goodwill at the level of Northern Europe, Central Europe and North America CGU. As part of the reorganization of the composition of CGUs, Harvia reallocated the goodwill of Harvia US Inc from former Finnish CGU to the new North American CGU alongside goodwill from ThermaSol acquisition.

The recoverable amount of cash-generating units has been determined based on value-in-use calculations using the projected discounted cash flows. These calculations use pre-tax cash flow projections based on the budgets and forecasts approved by the management covering a five-year period. The goodwill from the acquisition of ThermaSol is included in the North American CGU and was included in the impairment test in 2024.

Key assumptions in the projections are the development of net sales and key cost items, the discount rate used in the calculation as well as the cash flow growth rate after the five-year forecast period. The projections have been prepared to reflect the past performance and expectations for the future considering the Group's market position and the

general economic environment. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The discount rate used in the impairment testing is weighted average pre-tax cost of capital (WACC). The discount rate reflects the total cost of equity and debt and the market risks related to the Group.

The key assumptions used for value-in-use calculations and basic information are as follows:

	31-Dec-2024	31-Dec-2023
Long-term growth rate	1.0%	1.0%
Average revenue growth for the forecast period		
Northern Europe	7.4%	6.0%
Central Europe	7.3%	5.8%
North America	21.3%	
Average EBITDA for the forecast period (% of revenue)		
Northern Europe	27.0%	25.5%
Central Europe	24.9%	23.3%
North America	23.4%	
Pre-tax discount rate		
Northern Europe	9.4%	11.4%
Central Europe	10.8%	11.0%
North America	11.5%	

As a result of the impairment tests performed, no impairment loss has been recognized for any period presented.

3.3 PROPERTY, PLANT AND EQUIPMENT

In 2024, Harvia acquired 8.7 hectares of land surrounding its production facility in West Virginia and began planning a new warehouse facility for the area. Additionally, the company made several add-on investments in its production facilities, including a layout change and ramp-up of an upgraded, more automated production line for woodburning heaters in the Muurame factory.

Harvia's most significant land areas are located in Muurame and West Virginia. Harvia's biggest factory and office buildings are in Muurame, Finland, where also the Harvia Group's management companies operate. The Group has large production and warehouse facilities in West Virginia, USA. The production and office facilities of EOS Saunatechnik GmbH are located in Driedorf, Germany. The factory in Gheorgheni, Romania, is owned by a Romanian real estate company, K&R Imobiliare, which is wholly owned by Harvia Group. Kirami's production and office premises are located in Sastamala, Finland, and Sauna-Eurox's premises in Luvia, Finland. The factory in Guangzhou, China, ThermaSol's factory in Texas, USA, the factory in Belluno, Italy and the factory in Tartu, Estonia, operate on leased premises. Harvia also has significant production machinery located in the factories mentioned above.

For depreciations see also note 2.4.

3.3.1 ACCOUNTING POLICY

Property, plant and equipment are presented at acquisition cost less depreciation and potential impairment losses. Subsequent costs are included in the carrying amount when they can be measured reliably and future economic benefits associated with these will flow to the entity.

Significant leasehold improvements are included in the asset's carrying amount or are separated as a separate asset when it is probable that they will be economically useful in the future and the costs incurred can be distinguished from normal repair and maintenance costs.

The Group assesses at every reporting date whether there is any indication of impairment of an asset. If there are any indications, the asset is tested for impairment. An impairment test estimates the recoverable amount of the asset.

The recoverable amount is the higher of the asset's fair value less costs to sell or cash flow based value-in-use. If the recoverable amount can not be determined at the level of an individual asset, the need for impairment is reviewed at the level of the lowest cash generating unit (CGU), which is largely independent of other units and its cash flows can be distinguished from the cash flows of other similar entities.

Changes in property, plant and equipment are presented in the following tables for the financial periods presented in the financial statements.

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
2024						
Cost at 1 Jan	2,083	29,889	24,934	1,871	2,006	60,783
Business combinations	18	15	17			50
Additions	967	510	1,712	337	707	4,233
Disposals			-119			-119
Reclassifications		471	1,804	1	-2,331	-56
Exchange differences	17	183	120	6		326
Cost at 31 Dec	3,086	31,067	28,468	2,215	382	65,218
Accumulated depreciation at 1 Jan		-15,139	-17,348	-1,393		-33,879
Depreciation		-1,017	-1,923	-149		-3,089
Disposals			79			79
Reclassifications						0
Exchange differences		-42	-121	8		-155
Accumulated depreciation at 31 Dec		-16,198	-19,314	-1,533	0	-37,045
Net book amount at 1 Jan	2,083	14,750	7,586	478	2,006	26,904
Net book amount at 31 Dec	3,086	14,869	9,154	682	382	28,173

EUR thousand	Land	Buildings and structures	Machinery and equipment	Other tangible assets	Construction in progress	Total
2023						
Cost at 1 Jan	2,060	29,465	23,590	1,851	1,028	57,994
Additions	35	482	656	18	1,945	3,136
Disposals			-134			-134
Reclassifications/Adjustments		62	904	1	-967	0
Exchange differences	-11	-119	-83	1		-212
Cost at 31 Dec	2,083	29,889	24,934	1,871	2,006	60,783
Accumulated depreciation at 1 Jan		-14,107	-15,509	-1,282		-30,897
Depreciation		-1,040	-1,852	-111		-3,003
Impairment						0
Disposals						0
Reclassifications						0
Exchange differences		8	13			21
Accumulated depreciation at 31 Dec		-15,139	-17,348	-1,393	0	-33,879
Net book amount at 1 Jan	2,060	15,358	8,081	569	1,028	27,097
Net book amount at 31 Dec	2,083	14,750	7,586	478	2,006	26,904

3.4 RIGHT-OF-USE ASSETS

IFRS 16 Leases standard specifies the definition of leases, recognition and valuation of the lease agreements and disclosures of the leases. According to the standard, a lease is recognized as a right-of-use-asset (the right to use the leased asset) and as a lease liability to pay rentals, recorded under interest-bearing liabilities.

3.4.1 ACCOUNTING POLICY

According to IFRS 16 Leases standard a lease is recognized as a right-of-use-asset (the right to use the leased asset) and as a lease liability to pay rentals, recorded under interest-bearing liabilities.

Lease liability is calculated discounting the future lease payments with the incremental borrowing rate. The Group is implementing the exemptions provided by the standard and is not recognizing low-value or short-term leases as right-to-use-assets or lease liability. The Group applies same discount rate to a group of similar lease contracts.

Lease period is the non-cancellable period of the lease plus periods covered by an option to extend or an option to terminate if the lessee is reasonably certain to exercise the extension option or not exercise the termination option. Right-of-use assets are depreciated over their useful lives.

Lease liability and interest payment is presented in cash flow from financing activities.

The acquisition of ThermaSol significantly increased Harvia's right-of-use assets and lease liabilities in 2024 as the acquired company operates on leased premises. Harvia's other significant leasing contracts include factories in China and Italy.

Bookings of leases to the balance sheet and profit and loss statement were the following:

EUR thousand	Buildings and structures	Machinery and equipment
Right-of-use assets		
Book amount at 1 Jan 2023	1,841	304
Additions	671	285
Exchange differences	72	
Depreciations	-463	-220
Book value at 31 Dec 2023	2,120	369
Book amount at 1 Jan 2024	2,120	369
Additions	158	104
Acquisitions	6,182	
Disposals		
Exchange differences	65	
Depreciations	-706	-199
Book value at 31 Dec 2024	7,818	274

EUR thousand	2024	2023
Lease liabilities		
Non-current	7,307	1,981
Current	951	760
Book value at 31 Dec	8,258	2,741

AMOUNTS RECOGNIZED IN PROFIT AND LOSS

EUR thousand	2024	2023
Depreciation		
Buildings and structures	-706	-463
Machinery and equipment	-199	-220
	-905	-683
Interest expense (included in finance cost)	-167	-101
Expense relating to short-term and low-value leases (other operating expenses)	-642	-495
Total amounts recognized in profit and loss	-1,714	-1,280

Amounts recorded in balance sheet are considered in the IAS 36 impairment testing. Cash flows resulting from lease contracts have been disclosed in the consolidated statement of cash flows and maturities of the lease contracts in note 5.3.

3.5 PROVISIONS

The Group provides warranties for its products and recognizes provision for this obligation. The warranty provision includes all expenses required to settle the present obligation. The amount of accrued estimated warranty costs is primarily based on historical experience and current information on repair costs and processing costs of the claims.

Changes in warranty provisions are as follows:

EUR thousand	31-Dec-2024	31-Dec-2023
At 1 January	623	623
Additions	1,274	519
Reversed provisions	-623	-623
Unused provisions reversed		
Exchange rate differences		
At 31 December	1,274	519
of which		
current	295	242
non-current	979	277
Total	1,274	519

Harvia's provision increased to EUR 1,274 thousand relating to revenue in 2024 (2023: EUR 519 thousand). The acquisition of ThermaSol increased the warranty provision. The provision is divided to current and non-current liability. Most of the Harvia's products sold have two years' warranty for private use and

one years' warranty for professional use. Warranty provision is calculated for external warranty costs, for employees processing complaints and for warranty parts. For exported products, no warranty provision is recognized as under these contracts, the counterparty is responsible for warranty work.

3.5.1 ACCOUNTING POLICY

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

3.5.2 ACCOUNTING ESTIMATES

The amount of warranty provision involves uncertainty as estimated warranty claims may not be realized as predicted. Typically the claims are realized frontloaded during the warranty period. Estimates and assumptions are reviewed quarterly. The differences between actual and estimated warranty claims may affect the amount of the provisions to be recognized in future financial periods.

Section 4: Net Working Capital

This section describes components of net working capital.

Net working capital management is one of the key elements of Harvia's cash flow management. At times, Harvia increases its level of net working capital due to risk management in procurement or preparation for high-demand seasons.

EUR thousand	31-Dec-2024	31-Dec-2023
Net working capital		
Inventories	49,151	35,480
Trade receivables	19,173	16,336
Other receivables	3,105	2,361
Trade payables	-13,070	-8,690
Other payables	-13,404	-9,355
Total	44,955	36,132
Change in net working capital in the statement of financial position	8,823	-9,187
Items not taken into account in change in net working capital in the statement of cash flows and the effect of which is included elsewhere in the statement of cash flows*	-5,907	1,386
Change in net working capital in the statement of cash flows**	2,916	-7,801

* The most significant items are related to finance costs, unrealized exchange rate gains and losses, acquisitions and investments.

** An increase in net working capital decreases cash flows, and a decrease in net working capital increases cash flows.

4.1 INVENTORIES

The inventory of the Group consists of raw materials such as steel, stone, and wood, work in progress, as well as finished goods on sale (sauna heaters, barrel saunas, Scandinavian hot tubs, and other Harvia Group’s products).

4.1.1 ACCOUNTING POLICY

Materials and supplies, work in progress and finished goods are measured at the lower of cost and net realizable value. Cost of work in progress and finished goods comprises direct materials, direct labor costs and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

The acquisition cost is assigned to individual items of inventory on the basis of weighted average cost formula. Rebates and discounts are deducted from the cost of purchased inventory. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The inventory is divided as follows:

EUR thousand	31-Dec-2024	31-Dec-2023
Materials and supplies	22,684	16,921
Work in progress	3,322	3,413
Finished goods	23,145	15,145
Total	49,151	35,480

Harvia recognized items related to changes in the value and quantity of inventories in its profit and loss for a total of EUR 664 thousand (in 2023: EUR 10,919 thousand). Harvia’s material and service costs totalled EUR 62,602 thousand

(2023: EUR 56,101 thousand). The inventory value was reduced by obsolescence reserve booking of EUR 1,279 thousand (31 December 2023: EUR 915 thousand).

4.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of trade receivables, other receivables (mainly VAT receivables) and prepayments and accrued income. Income tax receivables are presented on a separate row in the consolidated statement of financial position.

Payment terms of trade receivables vary according to customer type and creditworthiness. Advance payment is required from certain customers. Information on the impairment of trade and other receivables and the Group's exposure to credit risk is presented in note 5.3.

The following tables present the different components of trade and other receivables:

EUR thousand	31-Dec-2024	31-Dec-2023
Trade receivables	19,173	16,336
Prepayments and accrued income	1,845	1,249
Other receivables	1,260	1,112
Total	22,278	18,697

4.2.1 ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are classified as at amortized cost if collection of the amounts is expected in one year or less they are classified as current assets. Otherwise they are presented as non-current assets. Trade receivables are generally due for settlement within 30-120 days and therefore are all classified as current. Impairment and other

accounting policies for trade and other receivables are outlined in note 5.3.

Other receivables include mainly prepaid expenses and accrued income from the usual operating activities of the Group.

The receivables are included in current assets, except for maturities longer than 12 months after the end of the reporting period.

Material items included in prepayments and accrued income:

EUR thousand	31-Dec-2024	31-Dec-2023
Social costs	13	9
Insurances	93	147
Advance payments	898	429
Other	842	663
Total	1,845	1,249

Other accrued income included mainly items related to materials costs, marketing and IT. Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

4.3 TRADE AND OTHER PAYABLES

Trade and other payables include trade payables, other liabilities, advance payments and accrued expenses related the usual operating activities of the Group.

4.3.1 ACCOUNTING POLICY

Trade payables are payment obligations arising from goods or services acquired from suppliers or service providers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade and other payables are classified as other financial liabilities at amortized cost.

The following tables present the different components of trade and other payables:

EUR thousand	31-Dec-2024	31-Dec-2023
Trade payables	13,070	8,690
Advance payments	1,745	1,103
Accrued expenses	11,246	7,817
Other liabilities	413	435
Total	26,474	18,045

Trade payables are unsecured and are usually paid within 30 to 60 days of recognition.

Material items included in accrued expenses:

EUR thousand	31-Dec-2024	31-Dec-2023
Accrued personnel costs	5,748	4,631
Accrued annual discounts	1,145	1,474
Accrued interests	980	83
Other	3,373	1,629
Total	11,246	7,817

Other accrued expenses included items related to material costs, marketing and sales commissions. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Section 5: Net Debt And Contingencies

This section describes how the Group has financed its operations. This section also describes exchange rate, interest rate, liquidity and credit risks related to financial assets and liabilities. The section also provides information on how the Group addresses the above mentioned risks.

5.1 BORROWINGS AND OTHER FINANCIAL LIABILITIES

In 2024, Harvia withdrew a new loan in the amount of EUR 20 million to finance the acquisition of ThermaSol. The new term loan matures in July 2027. In 2023, Harvia renegotiated the terms of EUR 75.5 million term loans and EUR 8 million revolving credit limit. At the same time, the revolving credit limit was increased to EUR 10 million. The Group has entered into interest rate swap agreements to hedge against interest rate risk arising from variable rate of bank loans.

The following tables present the classification of the financial liabilities as well as their carrying values:

5.1.1 ACCOUNTING POLICY

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the revolving credit facility arrangements are capitalized as a prepayment for liquidity services and amortized as expense over the period of the facility to which it relates, if there is no certainty that some or all of the facility will be drawn.

This reflects the finance cost of the undrawn facility. To the extent that it is probable that some or all of the facility will be drawn the fees are recognized as transaction costs when the loan is drawn and recognized in profit and loss using the effective interest rate method.

Financial instruments measured at fair value under IFRS 13 are divided into three different levels according to their valuation principles: level 1 instruments are valued at the quoted market price, level 2 instruments are valued using information other than quoted market prices and level 3 instruments are valued based solely on information other than quoted market prices.

EUR thousand	Other financial liabilities at amortized cost
31-Dec-2024	
Liabilities per balance sheet	
Loans from credit institutions	95,405
Lease liabilities	8,258
Other non-current liabilities	2,965
Trade and other payables	13,483
Total	120,111

EUR thousand	Financial liabilities at amortized cost
31-Dec-2023	
Liabilities per balance sheet	
Loans from credit institutions	75,409
Lease liabilities	2,741
Other non-current liabilities	202
Trade and other payables	9,125
Total	87,478

LOANS FROM CREDIT INSTITUTIONS AND SHAREHOLDER LOANS

Loans from credit institutions

In 2024, Harvia withdrew a new loan in the amount of EUR 20,000 thousand to finance the acquisition of ThermaSol. The new term loan will mature in July 2027. Harvia had existing term loans totaling EUR 75,500 thousand and a EUR 10,000 thousand revolving credit limit. Harvia has not utilized the revolving credit limit. These term loans mature in two installments. The term loan of EUR 36,500 thousand and the revolving credit limit of EUR 5,000 thousand mature in December 2026 and the term loan of EUR 39,000 thousand and the revolving credit limit EUR of 5,000 thousand mature in March 2027. The nominal interest of the loans is tied to Euribor, and its margin is tied to the Group's net debt / adjusted EBITDA ratio.

Compliance with loan covenants

The bank loans include covenants according to the financing agreement, such as net debt to adjusted EBITDA ratio and net interest income. Covenants are monitored quarterly. The Group has complied with all covenants related to bank loans in 2024 and 2023.

Fair values

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The Group's management has determined that there is no essential difference between carrying value and fair value. Margins of Harvia's loans are considered to reflect different conditions and the subordination of the loans with reasonable accuracy.

DERIVATIVE FINANCIAL INSTRUMENTS

5.1.2 ACCOUNTING POLICY

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and subsequently measured per contract at their fair value through profit or loss if they do not qualify for hedge accounting. If a derivative is designated as a hedging instrument, its fair value is recognised in the balance sheet in the fair value reserve. The fair value of an interest rate swap varies according to the expectations of the interest rate markets and the change in value is recognised, on a contract-by-contract basis, either in the income statement under changes in the fair value of financial items or, by using hedge accounting, in the fair value reserve in equity.

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. The fair value of the interest rate swap fluctuates according to interest rate market expectations, and the change in value is recorded per contract in either net financial items as changes in fair value or by hedging it in the fair value reserve in equity.

At the end of 2024, Harvia negotiated an additional interest rate swap agreement for the EUR 20 million loan withdrawn to finance the acquisition of ThermaSol in July 2024. Harvia is exposed to interest rate risk in the floating interest rate payments on loans drawn under the Loan Facility agreement dated 22 July 2024. The interest rate risk is that the future cash flows will

fluctuate due to changes in market interest rates. The objective is to minimize the effect of interest rate fluctuations on the Group's annual result and to manage exposure to interest rate risk.

Nature of the risk being hedged is the interest rate risk relating to cash flows from the increase and variability in 1-month Euribor. This hedge is classified as a cash flow hedge and it is categorized under Level 2 of the fair value hierarchy.

There is an economic relationship between the hedged item and the hedging instrument: The loan interest payments are linked to 1-month Euribor and derivative payments received are linked to 1-month Euribor. The interest rate setting for both the hedging instrument and the hedged item are defined on the same date.

The effect of credit risk does not dominate the value changes that result from the economic relationship. A condition for applying hedge accounting is that the effect of credit risk does not dominate the value changes that result from the economic relationship that is the subject of the hedge. Standard & Poors' long term rating for the derivative counterparty Danske Bank is AA-. The credit risk is considered low and does not dominate the hedge relationship.

The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity hedges and the quantity of the hedging instrument that the entity uses to hedge that quantity of hedged item. The hedge ratio is 1:1. Prospectively the terms and conditions of the hedged item and the hedge instruments meet the 1:1 ratio. Harvia will evaluate qualitatively each quarter that the conditions have not changed.

The Group had interest rate swap agreements with fair value of EUR 982 thousand and -4 thousand at the end of 2024 (2023: EUR 1,869 thousand). Changes in the fair value of the swap have no cash flow impact. The nominal values of the interest rate swap agreements were EUR 36,500 thousand and EUR 20,00 thousand as at 31 December 2024 (2023: EUR 36,500 thousand). The interest rate swap agreements mature on 15 December 2026 and 22 July 2027.

The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value is on level 2 in the fair value hierarchy.

OTHER NON-CURRENT LIABILITIES

5.1.3 ACCOUNTING POLICY

Harvia's other long-term liabilities consist of redemption and additional purchase price liabilities related to acquisitions. Redemption and additional purchase liabilities are initially recognised at fair value at the date of acquisition of the subsidiaries. Subsequently, they are measured at fair value through profit or loss or equity.

The Group had long-term additional purchase price liabilities related to acquisitions of EUR 226 thousand (2023: 202 thousand) related to the Sauna-Eurox acquisition. The contractual amount of the liabilities is EUR 250 thousand (2023: 250). Other long-term liabilities also include EUR 2,739 thousand withheld from the purchase price related to the ThermaSol acquisition that will be paid during the next three years. In 2023, Harvia and the sellers of Kirami agreed that Harvia will pay the additional purchase price of EUR 2,488 thousand earlier than previously announced, on 21 December 2023. The paid amount is approximately EUR 1.2 million smaller than the provision Harvia made in connection with the acquisition. This difference improved Harvia's 2023 result. Harvia's additional purchase price liabilities in 2023 were linked to the development of the key performance indicators of the acquired company (typically to EBITDA).

5.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to EUR 46,447 thousand as at 31 December 2024 (31 December 2023: EUR 40,581 thousand).

In the consolidated statement of cash flow, cash and cash equivalents include cash in hand and deposits held at call from banks. The short-term deposits are considered readily convertible to cash as those have original maturities of three months or less. Cash and

cash equivalents on the statement of financial position equals the cash and cash equivalents of the consolidated statement of cash flows. Cash and cash equivalents are financial asset and valued at amortized cost.

5.3 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

This note explains Harvia Group's exposure to financial risks and how these risks could affect Harvia Group's future financial performance. Profit and loss information

for the period has been included where relevant to add further context.

This note also describes how the Group monitors its capital structure and what are the targets for the structure.

5.3.1 ACCOUNTING POLICY

Classification and measurement of financial assets

The Group's financial assets consist of trade receivables, certain other receivables and accrued income as well as cash and cash equivalents. A financial asset is measured at fair value at initial recognition, to which are added transaction costs directly attributable to the acquisition, excluding trade receivables that are measured at transaction price when they do not contain a significant financing component.

Harvia's management has determined which business models are applied to the Group's financial assets at the date of application of IFRS 9 as of 1 January 2018, and has classified financial assets into categories according to IFRS 9. All financial assets of the Group, excluding possible derivative assets, are classified as at amortized cost.

Impairment of financial assets

Financial assets consist mainly of trade receivables, and for the recognition of expected credit losses the Group applies the simplified approach, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected credit losses also incorporate forward looking information.

Classification and measurement of financial liabilities

Loans from credit institutions are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid on the revolving credit facility arrangements are capitalized as a prepayment for liquidity services and amortized as expense over the period of the facility to which it relates, if there is no certainty that some or all of the facility will be drawn. This reflects the finance cost of the undrawn facility. To the extent that it is probable that some or all of the facility will be drawn, the fees are partly recognized as transaction costs, when the loan is drawn and recognized in the income statement over the period of the borrowings using the effective interest rate method.

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and subsequently measured per contract at their fair value through profit or loss if they do not qualify for hedge accounting. If a derivative is designated as a hedging instrument, its fair value is recognized in the balance sheet in the fair value reserve.

The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. Derivative financial instruments are used to hedge certain risk exposures.

The Group’s risk management is carried out by the finance department under guidelines provided by the Board of Directors. Finance department identifies, evaluates and hedges financial risks in close co-operation with the Group’s business operations.

FOREIGN EXCHANGE RISK

Harvia operates in several countries. In 2024, Harvia was mainly exposed to transaction risk and translation risk associated with the US dollar arising when the parent company’s investments to subsidiaries outside euro area are converted into euros. Transaction risk associated with subsidiaries outside the euro area consists primarily of trade receivables and trade payables from these subsidiaries arising from the operational business of the Group companies.

So far transaction risks have not been significant for the Group and Harvia has not hedged against these risks by currency derivatives. In other respects, the Group’s income and expenses arise almost exclusively in euros and dollars. The Group’s net investment into units outside the euro area consist of the investments in subsidiaries in China, Hong Kong, Sweden, Japan, Russia, Romania and the United States. Foreign exchange risk related to net investments is not hedged.

During the financial period, the following foreign exchange related amounts were recognized in profit or loss and other comprehensive income:

EUR thousand	2024	2023
Amounts recognized in profit or loss		
Net foreign exchange gains/losses included in operating income/expenses	56	-9
Net foreign exchange gains/losses included in finance income/costs	451	-277
Total net foreign exchange gains/losses recognized in profit before income tax for the period	507	-286
Gains/losses recognized in other comprehensive income		
Translation differences of foreign operations	2,778	-1,785

INTEREST RATE RISK

The Group faces interest rate risk primarily from its non-current borrowings with variable rates, which expose it to cash flow interest rate risk. To manage this risk, Harvia converts a portion of its floating-rate loans into fixed-rate loans using interest-rate swaps.

As a result, the overall interest rates are lower than what the Group would have paid if it had borrowed at fixed rates directly.

Harvia has interest rate swaps with nominal values of EUR 36.5 million and 20.0 million.

The following table shows the sensitivity analysis of Harvia’s interest-bearing liabilities to a 1% increase in interest rates:

EUR thousand	2024	2023
Interest bearing liabilities	95,405	75,506
Leasing liabilities	8,258	2,877
Interest rate swap	56,500	36,500
Share of liabilities covered with interest rate swaps	55%	47%
Impact on interest costs if interest rates were to rise by 1%	1,037	784
Interest rate swap	-565	-365
Total impact on interest costs if interest rates were to rise by 1%	472	419

* The amount of debt to be tested is the nominal value of Harvia’s cash flows related to loan and lease agreements, which is also presented in the reconciliation of net debt and cash flow.

The Group’s target is keep closer to 60% of its borrowings at fixed rates and, if necessary, use interest rate swaps to achieve this. The Group’s variable rate loans in 2024 and 2023 were mainly denominated

in euro and the interest rate swaps covered 55% of the principal outstanding at 31 December 2024 and 47% at 31 December 2023. Based on the sensitivity analysis, if the interest rate on uncovered variable rate

borrowings were to increase by one percentage point with all other variables held constant, the Group's interest expense would increase by EUR 488 thousand (in 2023: EUR 419 thousand).

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, as well as from credit exposures from customers' outstanding receivables. Insurance for certain customers and for some customers advance payments are in use. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. To spread the credit risk, Harvia deposits its cash reserves with different banks.

The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganization, and
- default or delinquency in payments

In certain circumstances, Harvia has supported its distribution and dealership relationships by accepting longer than ordinary payment periods and by agreeing on a new payment plan in respect of receivables due. Trade receivables increased due to strong demand in North America supported by the growing awareness of sauna and its health benefits as well as strong consumer confidence and economic conditions. The acquisition of ThermaSol also increased the amount of accounts receivable in 2024. Typically, North American customers have short payment times,

as most transactions are made with credit cards. Harvia has no significant concentrations of credit risks due to the large and geographically dispersed customer base.

During 2024, EUR 96 thousand (2023: EUR 26 thousand) was recognized in profit or loss in relation to credit losses. The loss allowance on 31 December 2024, EUR 788 thousand (2023: EUR 1,273 thousand), is specified as follows:

31-Dec-24 EUR thousand	Gross book value	Allowance for bad debt
Not due	14,895	8
Overdue by		
Less than 30 days	2,578	10
30-60 days	1,006	13
61-90 days	143	4
91-180 days	296	30
181-360 days	401	100
Over 360 days	642	623
Total	19,961	788

31-Dec-23 EUR thousand	Gross book value	Allowance for bad debt
Not due	12,755	6
Overdue by		
Less than 30 days	2,207	9
30-60 days	844	11
61-90 days	167	4
91-180 days	70	7
181-360 days	338	84
Over 360 days	1,228	1,151
Total	17,609	1,273

The other classes within other receivables do not contain essentially impaired or overdue assets. Based on the credit history of these other classes, it is

expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

LIQUIDITY RISK

Cash flow forecasting is performed on Group basis. Group finance department monitors Harvia Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facility so that the Group does not breach loan limits or covenants on its loan facility. At the end of the reporting period, Harvia was in clear compliance with the loan covenants.

The Group has undrawn interest-bearing facilities (revolving credit facility) of EUR 10,000 thousand as at 31 December 2024 (EUR 10,000 thousand as at 31 December 2023). The undrawn interest-bearing facility is available constantly. Operating cash flows and liquid funds are the main source of financing for future payments together with possible new debt or equity financing.

The table below shows future repayments, interest expenses and capitalized interest expenses of

the Group’s financial liabilities divided into maturity groupings based on the remaining contractual maturity at the balance sheet date. Harvia has interest rate swaps with nominal values of EUR 36,500 thousand and EUR 20,000 thousand that mature on 15 December 2026 and 22 July 2027. Fair value of the interest rate swap fluctuates according to interest rate market expectations, and the change in value is recorded in the net financial items as changes in fair value for the old agreement, and for the new agreement in the fair value reserve in equity.

EUR thousand	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
31-Dec-2024							
Non-derivatives							
Loans from credit institutions	5		36,500	59,000		95,505	95,405
Lease liabilities	583	535	993	2,197	5,474	9,784	8,258
Pension liabilities	80	80	155	438	1,099	1,852	1,914
Redemption and purchase price liability	250					250	226
Other long-term liabilities		913	1826			2,739	2,739
Trade payables	13,070					13,070	13,070
Non-derivatives	13,988	1,528	39,474	61,635	6,573	123,200	121,612
Interest rate swaps							
Interest rate swaps	-612	-619	-1,211	1,463		-979	-979
Total derivatives	-612	-619	-1,211	1,463		-979	-979

EUR thousand	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
31-Dec-2023							
Non-derivatives							
Loans from credit institutions	6			75,500		75,506	75,409
Lease liabilities	355	293	360	1,545	324	2,877	2,741
Pension liabilities	88	88	172	490	1,185	2,023	2,071
Redemption and purchase price liability			250			250	202
Trade payables	8,690					8,690	8,690
Non-derivatives	9,139	381	783	77,535	1,509	89,346	89,113
Interest rate swaps							
Interest rate swaps	-568	-574	-1,123	395		-1,869	-1,869
Total derivatives	-568	-574	-1,123	395		-1,869	-1,869

CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns and increase the value of invested capital for shareholders. The Group monitors the ratio of net debt to adjusted EBITDA and to net working capital.

Net debt is calculated as loans from credit institutions (included in current and non-current interest-bearing liabilities) less cash and cash equivalents. The target of the net debt and the net debt to EBITDA ratio are linked to a covenant of borrowing facilities. The ratio of net debt to EBITDA has an impact on the loan margins of the Harvia's loan agreements.

The table below shows the Group's net debt position.

EUR thousand	31-Dec-2024	31-Dec-2023
Loans from credit institutions	95,405	75,409
Lease liabilities	8,258	2,741
Less cash and cash equivalents	-46,447	-40,581
Net debt	57,216	37,569

Reconciliation of net debt:

EUR thousand	Cash and cash equivalents	Loans from credit institutions due within 1 year	Loans from credit institutions due after 1 year	Lease liabilities	Total net debt
1-Jan-2023	25,310	-2,028	-75,389	-2,421	-54,529
Cash flows	18,519	2,022	92	765	21,398
Acquisitions	-2,801		-66	-307	-3,173
Exchange differences	-447				-447
Other non-cash movements		-41	-777	-818	-818
31-Dec-2023	40,581	-6	-75,404	-2,741	-37,569
Cash flows	30,173	1	-19,970	951	11,154
Acquisitions	-24,908			-6,182	-31,320
Dissolution of an associated company	61				61
Exchange differences	540				540
Other non-cash movements			-26	-287	-84
31-Dec-2024	46,447	-5	-95,400	-8,258	-57,216

5.4 FINANCE INCOME AND COSTS

This note presents the finance income and finance costs of the Group. The Group has interest rate swap agreements to hedge against interest rate changes arising from the variable rate external bank loans.

For information about derivatives and financial liabilities, see note 5.1.

For information about cash and cash equivalents, see note 5.2.

The Group's interest and other finance income related mainly to foreign exchange gains, interest income from trade receivables and gains on valuation of derivative contracts. They amounted to EUR 1,959 thousand in 2024 (2023: EUR 2,033 thousand). Finance costs are related mainly to loans from financial institutions, exchange rate losses, and losses on the valuation of derivative contracts. See the following table:

EUR thousand	2024	2023
Finance income		
Interest income	1,126	531
Fair value gain		1,238
Exchange rate gains	786	259
Other finance income	47	5
Total	1,959	2,033
Finance costs		
Interest costs	-3,405	-2,743
Other finance costs for financial liabilities not at fair value through profit or loss	-861	-649
Exchange rate losses	-335	-536
Fair value losses on interest rate swaps	-887	-1,374
Total	-5,564	-5,302
Finance costs, net	-3,529	-3,270

5.5 COMMITMENTS AND CONTINGENT LIABILITIES

This note provides information about items not recognized in the financial statements as they do not yet satisfy the recognition criteria in the reporting

period. These include guarantees, pledges, and contingent liabilities.

EUR thousand	31-Dec-2024	31-Dec-2023
Other guarantees:		
Pledged accounts	19	37
Customs guarantee	50	50
Total	69	87

OTHER COMMITMENTS

Harvia becomes involved from time to time in various claims and lawsuits arising in the ordinary course of its business, such as disputes with customers and proceedings initiated by public authorities. During

the reporting periods, Harvia has not been a party to legal, arbitration or administrative proceedings which could have a significant impact on the Group's financial position or profitability.

5.6 DEFINED BENEFIT OBLIGATIONS

Defined benefit obligations are recognized according to IAS 19. Harvia has an unfunded defined benefit pension plan in Germany. The German pension plan was acquired on 1 May 2020. Harvia's other pension plans, such as statutory Finnish TyEL plan are classified as defined contribution plans.

The German pension plan is a salary-based plan which provides old-age, disability and survivor benefits for plan members. The pension plan adheres to local legislation and practices. The pension plan includes pensioners, active and deferred vested plan members.

Defined benefit plans expose Harvia to risks, the most relevant being the interest risk relating to the discount rate. If the discount rate decreases, the defined benefit obligation will increase. Changes in an inflation assumption or mortality models may also increase the defined benefit obligation.

5.6.1 ACCOUNTING POLICY

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to an insurance company or a separate entity fund. The entity will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to the defined contribution plans are recorded directly to the profit or loss in the year to which these contributions relate. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Under defined benefit plans both actuarial and investment risks are the responsibility of the Group and the defined benefit obligation is recognized. The defined benefit obligation represents the present value of future cash flows from payable benefits, which are calculated by using the projected unit credit method. The discount rate used in calculating the present value of the defined benefit obligation is based on the market yields of high-quality corporate bonds with appropriate durations. Pension expenses are recognized in the profit or loss by allocating the current service cost over the service lives of employees based on actuarial calculations. The net interest is included as part of the personnel expenses.

The liability (or asset) recognized in the consolidated statement of financial position is the defined benefit obligation at the closing date less the fair value of plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded to equity in other comprehensive income in the period in which they arise.

The valuation of defined benefit obligation is based on management's estimates about actuarial assumptions such as discount rate, inflation and future mortality rates.

The defined benefit expense and other comprehensive income items are as follows:

EUR thousand	2024	2023
Net interest	73	70
Actuarial gains (-) / losses (+) caused by changes in financial assumptions	66	-36
Experience adjustments	-149	87
Total	-11	121

The changes of the defined benefit obligation and net debt recognized in the balance sheet are as follows:

EUR thousand	2024	2023
Defined benefit obligation 1 January	2,023	2,071
Service cost		
Net interest	73	70
Actuarial gains (-) / losses (+)	-84	51
Benefits paid	-160	-169
Total	1,852	2,023

Actuarial assumptions used in calculating the defined benefit obligation are as follows:

	2024	2023
Discount rate	3.33%	3.76%
Benefit increase	2.00%	2.00%
Salary increase	1.00%	1.00%
Turnover rate	0.00%	0.00%
Mortality model		Richttafeln 2018 G

The sensitivity analysis of the defined benefit obligation is as follows. The sensitivity analysis is based on a change in one assumption while holding all other assumptions constant:

EUR thousand	2024	2023
Impact of the change in the discount rate (+0.50%) on the defined benefit obligation	-76	-82
Impact of the change in the discount rate (-0.50%) on the defined benefit obligation	82	88

The duration of the defined benefit pension obligation is approx. 9 years in 2024. The defined benefit plan has no plan assets.

Section 6: Other Notes

This section of the notes includes other information that must be disclosed to comply with accounting standards and other pronouncements.

6.1 GROUP STRUCTURE AND CONSOLIDATION

This note provides information on the Group structure and accounting principles for consolidation.

6.1.1 ACCOUNTING POLICY

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are

fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. When needed, the financial statements of subsidiaries have been adjusted to conform to the Group's accounting policies.

SUBSIDIARIES

The Group’s subsidiaries as at 31 December 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Parent company	Country of incorporation	Nature of business	Parent ownership (%)	Group ownership (%)	Acquired/ established (month/year)
Harvia Plc	Finland	Parent company			
Subsidiaries					
Harvia Group Oy	Finland	Holding	100	100	4/2014
Harvia Finland Oy	Finland	Manufacturing		100	4/2014
Harvia (Hong Kong) Sauna Co. Ltd	Hong Kong	Sales		100	4/2014
Guangzhou City Harvia Sauna Co. Ltd	China	Manufacturing		100	4/2014
Harvia Estonia OÜ	Estonia	Manufacturing		100	12/2014
LLC Harvia RUS	Russia	Not operational		100	6/2015
Harvia Austria GmbH (previously Sentiotec GmbH)	Austria	Sales		100	11/2016
Domo Wellness Romania Srl	Romania	Manufacturing		100	11/2016
K&R Imobiliare	Romania	Real estate		100	11/2016
Harvia US Holdings Inc.	United States	Holding		100	11/2018
Harvia US Inc.	United States	Manufacturing		100	11/2018
Harvia Holding GmbH	Germany	Holding		100	02/2020
EOS Saunatechnik GmbH	Germany	Manufacturing		100	04/2020
Kirami Oy	Finland	Manufacturing		100	05/2021
Kirami Ab	Sweden	Sales		60	05/2021
Sauna-Eurox Oy	Finland	Manufacturing		100	08/2021
Parhaat Löylyt Oy	Finland	Sales		100	08/2021
Harvia Japan Limited	Japan	Sales		51	08/2023
Phoenix El-Mec srl	Italy	Manufacturing		100	09/2023
TS Spa Holdings LLC	United States	Holding		100	07/2024
ThermaSol Steam Bath LLC	United States	Manufacturing		100	07/2024

6.2 RELATED PARTY TRANSACTIONS

This note provides information on Harvia Group’s related parties and transactions with related parties. The Group’s related parties include the parent company and the Group companies mentioned in note 6.1 above. The related parties include also key management personnel and their family members as well as companies controlled by these. Key management personnel are members of the Board of Directors, the Chief Executive Officer, and the Management Team.

RELATED PARTY TRANSACTIONS

Harvia’s key management personnel, the members of the Board of Directors, and their family members are entitled to purchase sauna products from Harvia in accordance with the policy applying to the entire personnel of Harvia.

Transactions with related parties have been made on an arm’s length basis.

EUR thousand	2024	2023
Sales of goods and services	63	86
Purchases of goods and services	242	22

6.2.1 ACCOUNTING POLICY

Share-based payments

Share-based incentive plans have been recognized as an expense during the earnings period in the income statement item personnel expenses. The fair value of the arrangement is the share value at the benefit's grant date. The amount to be recognized as an expense is based on an estimate of the number of shares, which are expected to be earned during the vesting period. The estimate of the shares earned will be assessed at every balance sheet date. If the estimate changes in later periods, the change shall be adjusted in the income statement at that period the change is noticed. The contra account for the shares to be granted according to the incentive plans is the invested unrestricted equity reserve. Harvia’s share-based incentive plans that are paid net in shares after deducting the withholding tax are recognized fully as share paid arrangements although Harvia pays the taxes in cash on behalf of the incentive plan participants.

MANAGEMENT HOLDINGS

The following table indicates the ownership interests of the members of the Board of Directors, the Chief Executive Officer and the members of the Management Team in the parent company's shares outstanding at 31 December 2024:

	2024	2023
Members of the Board of Directors	0.3%	0.3%
Chief Executive Officer	0.0%	0.0%
Other Management Team	3.0%	2.8%

REMUNERATION OF MANAGEMENT

The Board of Directors decides on the amount of and basis for the remuneration of the Chief Executive Officer (CEO) and the members of the Management Team. The remuneration of the CEO and the members of the Management Team consists of a monthly salary plus a bonus. The bonus to the CEO and the members of the Management Team is paid based on the achievement of personal objectives as well as certain relating to profitability for the financial year. The bonus including the performance-based bonus and short-term incentive scheme must not exceed 56% of the fixed salary of the CEO and of the other members of the Management Team.

The CEO of the Group is entitled to statutory pension, and the age of retirement is determined in accordance with the statutory employee pension system. The term of notice for the CEO has been specified as 6 months, and the CEO is entitled to salary for the term of notice. If the company terminates the employment contract of the CEO, he or she is, under certain conditions, entitled to a compensation that equals a full 6 months' salary.

KEY MANAGEMENT PERSONNEL COMPENSATION

EUR thousand	2024	2023
Chief executive officer		
Salaries and other short-term employee benefits	581	691
Long-term incentive program	0	0
Pension costs - defined contribution plans*	105	123
Total	686	815

* Includes costs of voluntary pension plan amounting to EUR 0 thousand in 2024 (2023: EUR 4 thousand).

	2024	2023
Other Management Team		
Salaries and other short-term employee benefits	1,662	1,432
Long-term incentive program	62	455
Pension costs - defined contribution plans	219	188
Total	1,943	2,076

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

EUR thousand	2024	2023
Olli Liitola (as of 11 March 2014)	36	61
Olbrich Heiner (as of 7 April 2022)	58	39
Sanna Suvanto-Harsaae (until 20 April 2023)	0	15
Anders Holmen (as of 8 April 2021)	36	43
Hille Korhonen (as of 8 April 2021)	40	47
Catharina Stackelberg-Hammarén (as of 20 April 2023)	35	25
Markus Lengauer (as of 20 April 2023)	40	25
Total	246	254

SHARE-BASED INCENTIVE PLAN

Harvia has a share based long-term incentive plan for the CEO and Management Team members. The plan forms a part of Harvia Plc's remuneration program for its executives, and the aim of the plan is to support the implementation of the company's strategy, to align the interests of the executives with interests of the shareholders to increase the value of the company, to improve the performance of the company, and to retain the executives.

The long-term incentive plan consists of three performance periods of three calendar years each, 2022-2024 and 2023-2025 and 2024-2026. During 2024 Harvia paid out the rewards regarding the performance period 2021-2023. The Board of Directors decides separately for each performance period the plan participants, performance criteria, and related targets, as well as the minimum, target, and maximum reward potentially payable based on target attainment.

In the performance period 2021-2023, the plan had at most 15 participants and the targets for the performance period were related to the company's total shareholder return, revenue growth, sustainability targets and EBIT margin. The maximum number of shares in Harvia Plc to be paid based on the performance period 2021-2023 was 33,500. This number of shares represents gross earnings, from which the withholding tax and possibly other applicable contributions are deducted, and the remaining net amount was paid in shares. Costs from share-based incentive plans totaling EUR 1,430 thousand were recognized as an expense during the financial year.

On 6 June 2024, the Board of Directors of Harvia Plc decided on a directed share issue without consideration

for the payment of rewards earned under the company's share-based incentive program. The share payments concerned the performance period 2021-2023 of the company's share-based incentive program launched in 2021. In the share issue, 865 own shares held by the company were transferred without consideration to the key employees participating in the share-based incentive program in accordance with the program-specific terms and conditions.

In the performance period 2022-2024, the plan has 16 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, sustainability targets and EBIT margin. The maximum number of shares in Harvia Plc to be paid based on the performance period 2022-2024 is 73,600. Potential rewards from the performance period 2022-2024 will be paid out during spring 2025.

In the performance period 2023-2025, the plan has 16 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, CO2 emissions and EBIT margin. The maximum number of Harvia Plc shares to be paid based on the performance period 2023-2025 is 61,600. This number of shares represents the gross

earning, from which the withholding tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period 2023-2025 will be paid out during spring 2026.

On 27 March 2024, the Board of Directors of Harvia Plc decided to continue the Long-term Performance Share Plan for the Management Team and other key employees for the performance period 2024-2026. In the performance period 2024-2026, the plan has 27 participants at most and the targets for the performance period relate to the company's total shareholder return, revenue growth, CO2 emissions and EBIT margin. The maximum number of Harvia Plc shares to be paid based on the performance period 2024-2026 is 68,100. This number of shares represents the gross earning, from which the withholding tax and possible other applicable contributions are deducted, and the remaining net amount is paid in shares. However, the company has the right to pay the reward fully in cash under certain circumstances. Potential rewards from the performance period 2024-2026 will be paid out during spring 2027.

6.3 TAXES

This note provides an analysis of the Group's taxes.

6.3.1 ACCOUNTING POLICY

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated profit or loss statement or if the tax relates to items recognized in profit and loss statement or directly in equity, it is recognized in other comprehensive income or equity correspondingly.

The current tax on profits for the year is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

INCOME TAX EXPENSE

EUR thousand	2024	2023
Current tax:		
Current tax on profits for the year	-7,985	-6,448
Adjustments in respect to prior years	-17	-5
Total current tax expense	-8,001	-6,452
Deferred tax:		
Change in deferred taxes	363	200
Income taxes	-7,638	-6,253

RECONCILIATION OF INCOME TAX EXPENSE AND TAXES CALCULATED AT THE FINNISH TAX RATE 20%

EUR thousand	2024	2023
Profit before tax	31,880	29,533
Tax calculated at Finnish tax rate 20%	-6,376	-5,907
Effect of other tax rates for foreign subsidiaries	-939	-602
Expenses not deductible for tax purposes	-328	-252
Income not subject to tax	-84	353
Other items	89	155
Taxes in income statement	-7,638	-6,253

DEFERRED TAXES

6.3.2 ACCOUNTING POLICY

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the

transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable amounts will be available to utilize those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

6.3.3 MANAGEMENT JUDGEMENT

Determining to which extent deferred tax assets can be recognized requires management judgment. The management of Harvia Group has used judgment when determining if deferred tax asset is recognized for an unused tax loss carryforward or unused tax credits. Recognition is done only to the extent that it is probable that future taxable profits will be available

against which the loss or credit carryforward can be utilized. The Group estimates positions taken in the tax return with respect to situations in which applicable tax regulation is subject to interpretation. If necessary, the booked amounts are adjusted to correspond to amounts expected to be paid to the tax authorities.

Harvia's tax assets include old tax assets arising from intra-group interest payments. The deductibility of these interest expenses is limited by tax legislation. In 2024 EUR 2,947 thousand of intra-group interests were deducted in taxation (2023: EUR 3,027 thousand). There were EUR 306 thousand intra-group interest expenses remaining at 31 December 2024. There is no time limit for the deduction of net interest expenses in taxation.

Harvia has no expiring deferred tax assets. The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within same tax jurisdiction, is as follows:

EUR thousand	At 1 January	Recognized in profit or loss	Recognized in equity	Business combinations	At 31 December
2024					
Deferred tax assets					
Tax losses and net interest costs	642	-589			53
Internal margin of inventories	401	173			574
Provisions	99	19		163	281
Derivative financial instruments	0	1			1
Other items	639	324	-149		814
Total	1,782	-73			1,723
Netting of deferred taxes	-737		18	-163	-882
Net deferred tax asset	1,045	-73			841
2024					
Deferred tax liabilities					
Measurement of acquired net assets at fair value	1,416	-462	-34	2,142	3,062
Accumulated depreciation differences	138	71			209
Property, plant and equipment	341	-39	34		336
Inventories	0	0		47	47
Other items	24	-5	-18		1
Total	1,919	-436			3,655
Netting of deferred taxes	-737		18	-163	-882
Net deferred tax asset	1,182	-436			2,773

EUR thousand	At 1 January	Recognized in profit or loss	Recognized in equity	Business combinations	At 31 December
2023					
Deferred tax assets					
Tax losses and net interest costs	1,248	-606			642
Internal margin of inventories	364	37			401
Provisions	119	-20			99
Other items	372	267			639
Total	2,103	-322			1,782
Netting of deferred taxes	-737				-737
Net deferred tax asset	1,367	-322			1,045
2023					
Deferred tax liabilities					
Measurement of acquired net assets at fair value	1,856	-441			1,416
Accumulated depreciation differences	154	-16			138
Property, plant and equipment	381	-39			341
Other items	19	5			24
Total	2,410	-491			1,919
Netting of deferred taxes	-737				-737
Net deferred tax liability	1,673	-491			1,182

The Group has not recognized deferred tax liability on the undistributed profits of its subsidiaries in the countries where the dividend distribution causes tax penalties but dividend distribution is considered unlikely.

6.4 EQUITY

This note describes what is included in the equity of Harvia Group.

The total equity consists of the share capital, the invested unrestricted equity reserve, currency translation differences and accumulated profits.

SHARE CAPITAL AND NUMBER OF SHARES

Harvia has one share class, and shares entitle the holders equal right to dividends and votes in the general meeting of Harvia.

EUR thousand	Share capital	Number of shares
At 31 December 2023	80	18,694,236
At 31 December 2024	80	18,694,236

Harvia Plc held a total of 15,207 own shares at 31 December 2024. The shares have been purchased to be used in the company's long-term incentive program.

OTHER RESERVES

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

EUR thousand	Fair value reserve	Invested unrestricted equity	Translation differences	Total
At 1 January 2023	0	32,562	865	33,427
Share-based incentive plan		995		995
Share-based payments		-346		-346
Actuarial gains and losses		124		124
Translation differences			-1,785	-1,785
At 31 December 2023	0	33,334	-921	32,414
Share-based incentive plan		1,430		1,430
Repurchase of own shares		-483		-483
Share-based payments		-43		-43
Gains and losses on cash flow hedgings, net of tax	-4			-4
Actuarial gains and losses		-156		-156
Translation differences			2,778	2,778
At 31 December 2024	-4	34,081	1,857	35,935

INVESTED UNRESTRICTED EQUITY RESERVE

Under the Finnish Companies Act, the subscription price of new shares is credited to the share capital, unless it is provided in the share issue resolution that it is to be credited in full or in part to the invested unrestricted equity reserve. Contributions to the reserve for invested unrestricted equity can also be made without share issues.

TRANSLATION DIFFERENCES

6.4.1 ACCOUNTING POLICY

Translation differences that arise when translating the financial statements of subsidiaries are recognized in other comprehensive income and accumulated in translation differences reserve in equity.

Exchange rate differences arising on translation of the foreign controlled entity are recognized in other comprehensive income as described in note 5.3 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

RETAINED EARNINGS

Movements in retained earnings were as follows:

EUR thousand	2024	2023
At 1 January	75,081	63,766
Dividend distribution	-12,709	-11,956
Adjustment of the previous period	210	0
Profit for the period	24,242	23,271
At 31 December	86,825	75,081

In 2024, Harvia paid a dividend of EUR 0.68 per share, in total EUR 12,709 thousand. Harvia identified an overstatement of EUR 210 thousand in operating expenses for 2023, leading to an adjustment in retained earnings in 2024. This adjustment is immaterial and does not require restating the 2023 financial statements.

Harvia Plc's total unrestricted equity amounts to EUR 81,045,028.97 in total, of which profit for the period accounts for EUR 8,797,782.38. Harvia targets a regularly increasing dividend with a bi-annual dividend payout. In order to determine the amount of dividend, the Board of Directors has assessed the company's solvency and financial standing after the end of the period.

Harvia's Board of Directors proposes to the Annual General Meeting that the company distributes a dividend of EUR 0.75 (0.68) per share, EUR 14,020,677.00 in total, for the financial period ended 31 December 2024. The Board of Directors proposes the dividend to be paid in two instalments, EUR 0.38 per share in April 2025 and EUR 0.37 per share in October 2025.

EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Movements in non-controlling interests were as follows:

EUR thousand	2024	2023
At 1 January	1,082	1,072
Additions	163	0
Dividend distribution	0	0
Profit for the period	0	10
At 31 December	1,244	1,082

The equity attributable to non-controlling interest consists of the share of minority interests in Kirami Ab and Harvia Japan Limited of Harvia's profit for the period.

6.5 EVENTS OCCURRING AFTER THE REPORTING DATE

On 17 January 2025, Harvia published the proposals by the Shareholders' Nomination Board to the Annual General Meeting, planned to be held on 8 April 2025. The Nomination Board proposes that the number of members of the Board of Directors will be increased from six to seven. The Nomination Board also proposes that the current members Heiner Olbrich, Catharina Stackelberg-Hammarén, Anders Holmén, Hille Korhonen, Markus Lengauer and Olli Liitola be re-elected to the Board of Directors. In addition, the Nomination Board proposes that Petri Castrén be elected as a new member to the Board of Directors. The Nomination Board proposes no changes to the monthly remuneration of the Board of Directors.

Parent company financial statements FAS

Parent company Profit & Loss Statement

EUR	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Revenue	1,083,600.00	1,083,600.00
Other operating income	31.87	725.81
Staff expenses		
Wages and salaries	-1,388,701.66	-1,123,073.85
Social security expenses		
Pension expenses	-201,268.62	-152,829.24
Other social security expenses	-21,124.86	-23,827.00
Other operating expenses	-1,443,076.15	-1,187,101.86
Depreciation and amortization		
Depreciation according to plan	-6,820.00	-18,831.01
Operating profit	-1,977,359.42	-1,421,337.15
Finance income		
Financial income from holdings in group undertakings	15,000,000.00	15,000,000.00
From group undertakings	3,019,711.35	2,215,581.36
From others	3,985,068.43	1,254,679.23
Finance costs		
To group undertakings	-665,025.01	-542,524.49
To others	-6,065,656.38	-4,582,443.59
Finance income and expenses total	15,274,098.39	13,345,292.51
Profit before income appropriations and taxes	13,296,738.97	11,923,955.36

EUR	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Appropriations		
Change in cumulative accelerated depreciation	0.00	29,469.84
Group contribution	6,452,000.00	3,650,000.00
Income taxes	-950,956.59	-122,058.64
Profit for the period	18,797,782.38	15,481,366.56

Parent company Balance Sheet

EUR	1.1.-31.12.2024	1.1.-31.12.2023
ASSETS		
Non-current assets		
Intangible assets		
Other long-term expenses	568.32	7,388.32
Advance payments and construction in process	0.00	109,255.00
Investments		
Holdings in group undertakings	85,909,022.95	85,909,022.95
Total non-current assets	85,909,591.27	86,025,666.27
Current assets		
Long-term receivables		
Receivables from group companies	68,835,451.44	41,085,000.00
Other receivables	982,223.00	1,869,013.00
Short-term receivables		
Receivables from group companies	23,714,384.36	19,178,773.95
Other receivables	140,594.60	171,150.80
Prepayments and accrued income	268,779.92	4,068,068.07
Cash and cash equivalents	19,473,525.30	11,969,863.16
Total current asset	113,414,958.62	78,341,868.98
Total assets	199,324,549.89	164,367,535.25

EUR	1.1.-31.12.2024	1.1.-31.12.2023
EQUITY AND LIABILITIES		
Equity		
Share capital	80,000.00	80,000.00
Fair value reserve	-3,554.00	0.00
Reserve for invested unrestricted equity	50,307,317.13	50,790,748.26
Retained earnings	11,939,928.46	9,167,487.52
Profit for the period	18,797,782.38	15,481,366.56
Total equity	81,121,473.97	75,519,602.34
Liabilities		
Non-current liabilities		
Loans from credit institutions	95,500,000.00	75,500,000.00
Amounts owed to group undertakings	8,000,000.00	8,000,000.00
Other non-current liabilities	3,554.00	0.00
Total non-current liabilities	103,503,554.00	83,500,000.00
Current liabilities		
Loans from credit institutions	0.00	0.00
Trade payables	273,308.64	129,600.11
Amounts owed to group undertakings	12,725,829.26	4,711,720.38
Other liabilities	73,233.75	114,080.35
Accrued expenses	1,627,150.27	392,532.07
Total current liabilities	14,699,521.92	5,347,932.91
Total liabilities	118,203,075.92	88,847,932.91
Total equity and liabilities	199,324,549.89	164,367,535.25

Parent company Cash flow statement

EUR	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Cash flow from operating activities:		
Profit (loss) before taxes	13,296,738.97	11,923,955.36
Adjustments to operating profit (+/-) for:		
Depreciation and amortization	6,820.00	18,831.01
Unrealised foreign exchange gains and losses	0.00	-26,666.29
Other non-cash income and expenses	-15,274,098.39	-13,345,292.51
Financial income and expenses	3,554	0.00
Cash flow before working capital changes	-1,966,985.42	-1,428,334.83
Working capital changes:		
Increase/decrease in trade and other short-term interest-free receivables	-1,212,282.19	14,325.10
Increase/decrease in short-term interest-free liabilities	460,293.73	-274,954.18
Change in working capital	-2,718,973.88	-1,688,963.91
Operating cash flow before financing items and taxes	-290.68	-163.78
Interest received relating to operating activities	602,186.38	421,486.23
Income taxes paid (-), received (+)	2,863,941.32	-3,561,214.98
Cash flow from operating activities:	746,863.14	-4,828,856.44

EUR	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Cash flow from investments		
Purchase of tangible and intangible items (-)	0.00	-20,295.95
Proceeds from sale of tangible and intangible assets	0.00	89,000.00
Loans granted	-26,492,731.71	-510,000.00
Loans received or granted (group accounts)	7,997,749.98	1,837,307.03
Repayment of loan receivables	50,000.00	4,568,919.93
Interest received from investments	2,471,937.83	2,123,020.01
Dividends received	15,000,000.00	0.00
Cash flow from investments	-973,043.90	8,087,951.02
Cash flows from financing activities		
Repurchase of own shares	-483,431.13	0.00
Repayment of current interest bearing liabilities	0.00	-2,000,000.00
Proceeds from non-current loans	20,000,000.00	925,225.67
Repayment of non-current loans	0.00	-925,225.67
Interest and other financing expenses paid (-)	-2,727,800.35	-3,010,074.86
Dividends paid	-12,708,925.62	-11,955,944.32
Group contributions received	3,650,000.00	15,460,000.00
Cash flows from financing activities	7,729,842.90	-1,506,019.18
Net increase (+) / decrease (-) in cash and cash equivalents	7,503,662.14	1,753,075.40
Cash and cash equivalents at beginning of period	11,969,863.16	10,216,787.76
Cash and cash equivalents at end of period	19,473,525.30	11,969,863.16

Notes to the financial statements of the parent company

PARENT COMPANY ACCOUNTING POLICIES

Harvia Plc's Financial Statements are presented according to the Finnish Account Standards (FAS). The financial statements are in Euros.

The preparation of Harvia Plc's financial statements requires the use of estimates, judgment and assumptions that may affect the application of accounting policies and the recognised amounts of assets and liabilities at the date of the financial statements. Actual results may differ from previously made estimates and judgments.

NON-CURRENT ASSETS

Intangible assets are recognized at the acquisition cost less the depreciation according to plan. Acquisition costs consist of direct costs of the acquisition. The depreciation has been calculated on straight-line basis over the financial use of the asset. The depreciation period of intangible assets is 3 years.

Investments into Group companies are valued at acquisition cost or net realizable value, if the investment value has deteriorated significantly and permanently.

RECEIVABLES

Receivables are valued at acquisition cost or the likely recoverable value if lower.

INCOME TAXES

Income taxes have been recognized based on the current year profit according to Finnish tax legislation, with any adjustments resulting from prior years. The parent company does not record deferred taxes.

DIVIDENDS

Dividend that the Board of Director has proposed has not been recorded in the financial statements. The dividends will be recorded based on the decisions of Annual General Meeting.

CASH FLOW STATEMENT

The interest payments on the loan taken by the company have been presented under financing cash flows in the cash flow statement to ensure consistency with the presentation in the Group's cash flow statement.

INTEREST SWAP

The interest rate swaps are recorded at fair value under the Finnish Accounting Act (1336/1997), Chapter 5 Section 2 a §.

NOTES TO THE PROFIT AND LOSS STATEMENT

	2024	2023
Notes relating to personnel		
Number of personnel at the end of the financial year	2	2
Average number of personnel during the financial year		
Officers	2	2
EUR	2024	2023
Management compensation		
Members of the Board of Directors and CEO	826,362.10	945,700.64
Auditors' fees		
Statutory audit	119,272.18	56,102.83
Other services	4,275.00	14,689.50
	123,547.18	70,792.33
EUR	2024	2023
Finance income and costs		
Other interest income		
Group undertakings	3,019,711.35	2,215,581.36
Other than group companies	3,985,068.43	1,254,679.23
Total finance income	7,004,779.78	3,470,260.59
Interest and finance charges		
Group undertakings	-665,025.01	-542,524.49
Other than group companies	-6,065,656.38	-4,582,443.59
Total financial expenses	-6,730,681.39	-5,124,968.08
Total financial income and expenses	274,098.39	-1,654,707.49
Income taxes		
Income taxes for ordinary business	-950,956.59	-122,058.64

NON-CURRENT ASSETS

EUR	2024	2023
Intangible assets		
Acquisition cost at 1 January	2,123,591.25	2,123,591.25
Additions		
Acquisition cost at 31 December	2,123,591.25	2,123,591.25
Accumulated amortization at 1 January	-2,116,202.93	-2,109,344.60
Amortization for the financial year	-6,820.00	-6,858.33
Accumulated amortization at 31 December	-2,123,022.93	-2,116,202.93
Advance payments on intangible assets	0,00	109,255.00
Book value 31 December	568.32	116,643.32
Machinery and equipment		
Acquisition cost at 1 January	107,497.05	215,251.14
Additions		
Disposals	0,00	-107,754.09
Acquisition cost at 31 December	107,497.05	107,497.05
Accumulated depreciation at 1 January	-107,497.05	-95,524.37
Depreciation for the financial year	0,00	-11,972.68
Accumulated depreciation at 31 December	-107,497.05	-107,497.05
Book value 31 December		
Investments		
Acquisition cost 1 January	85,909,022.95	85,909,022.95
Acquisition cost 31 December	85,909,022.95	85,909,022.95
Book value 1 January	85,909,022.95	85,909,022.95
Book value 31 December	85,909,022.95	85,909,022.95

HOLDINGS IN GROUP UNDERTAKINGS

Group companies	Parent ownership 31-Dec-2024
Harvia Group Oy, Muurame	100%
Domo Wellness Romania Srl.	
Guangzhou City Harvia Sauna Co. Ltd	
Harvia Estonia Oü	
Harvia Finland Oy, Muurame	
Harvia (HK) Sauna Co. Ltd	
Harvia US Holdings Inc.	
Harvia US Inc.	
K&R Imobiliare	
LLC Harvia RUS	
Saunamax Oy, merged into Harvia Finland Oy 1 March 2024	
Harvia Austria GmbH (former Sentiotec GmbH)	
Velha Oy, merged into Harvia Finland Oy 30 November 2024	
EOS Saunatechnik GmbH	
Kusatek GmbH, merged into EOS Saunatechnik GmbH 1 January 2024	
Spatronic GmbH, merged into EOS Saunatechnik GmbH 1 January 2024	
Harvia Holding GmbH	
Kirami Oy	
Kirami Ab	
Metagroupp OÜ, company terminated 22 November 2024	
Sauna-Eurox Oy	
Parhaat Löylyt Oy	
Harvia Japan Limited	
Phoenix El-Mec Srl	
TS Spa Holdings LLC	
ThermaSol Steam Bath LLC	

All Group companies have been consolidated to the Group consolidated IFRS financial statements.

RECEIVABLES

EUR	2024	2023
Long-term receivables		
Loans to group companies	68,835,451.44	41,085,000.00
Other receivables		
Interest rate swap receivables	982,223.00	1,869,013.00
Total	69,817,674.44	42,954,013.00
Short-term receivables		
Receivables from group companies		
Trade debtors	1,526,232.89	220,396.00
Loans receivable	0,00	120,000.00
Other receivables	21,452,000.00	18,650,000.00
Prepayments and accrued income	736,151.47	188,377.95
Total	23,714,384.36	19,178,773.95
Receivables from others		
Other receivables	140,504.06	171,150.80
Prepayments and accrued income	268,779.92	4,068,068.07
	409,283.98	4,239,218.87
Material amounts included in prepayments and accrued income		
Insurances	20,591.89	21,848.34
Others	29,144.62	12,278.41
Tax receivables	219,043.41	4,033,941.32
	268,779.92	4,068,068.07

LIABILITIES

EUR	2024	2023
Long-term liabilities		
Loans from credit institutions	95,500,000.00	75,500,000.00
Loans from group companies	8,000,000.00	8,000,000.00
	3,554.00	0,00
	103,503,554.00	83,500,000.00
Loans from group undertakings		
Trade creditors	16,358.90	0,00
Other liabilities	12,709,470.36	4,711,720.38
	12,725,829.26	4,711,720.38
Liabilities for others		
Trade creditors	273,308.64	129,600.11
Other liabilities	73,233.75	114,080.35
Accruals and deferred income	1,627,150.27	392,532.07
	1,973,692.66	636,212.53
Material amounts shown under accruals and deferred income		
Wages and salaries including social security expenses	558,202.04	233,427.56
Interest expenses	976,345.05	82,799.75
Income taxes	0,00	0,00
Other	92,603.18	76,304.76
	1,627,150.27	392,532.07

EQUITY

EUR	2024	2023
Restricted equity		
Subscribed capital 1 January	80,000.00	80,000.00
Subscribed capital 31 December	80,000.00	80,000.00
Fair value reserve 1.1.	0,00	0,00
Additions	-3,554.00	0,00
Fair value reserve 31.12.	-3,554.00	0,00
Total restricted equity	76,446.00	80,000.00
Unrestricted equity		
Reserve for invested unrestricted equity 1 January	50,790,748.26	50,790,748.26
Repurchase of shares	-483,431.13	0,00
At 31 December	50,307,317.13	50,790,748.26
Retained earnings from previous financial years	24,648,854.08	21,123,431.84
Dividend distribution	-12,708,925.62	-11,955,944.32
Retained earnings from previous financial years	11,939,928.46	9,167,487.52
Profit (loss) for the financial year	18,797,782.38	15,481,366.56
Total unrestricted equity	81,045,027.97	75,439,602.34
Total equity	81,121,473.97	75,519,602.34
Distributable unrestricted equity		
Reserve for invested unrestricted equity	50,307,317.13	50,790,748.26
Retained earnings from previous years	11,939,928.46	9,167,487.52
Profit for the financial year	18,797,782.38	15,481,366.56
Distributable unrestricted equity	81,045,027.97	75,439,602.34

NOTES ON FAIR VALUE MEASUREMENT

Hedged item:

Loan, EUR 36,500,000

Hedge derivative instrument:

Interest rate swap nominal amount EUR 36,500,000, for the period 21 Jan 2022 to 15 Dec 2026.

The company receives 6 months' Euribor interest rate and pays fixed interest rate. The fair value of the contract at the balance sheet date was EUR 982,223.

The cash flows and the fair value adjustment of the interest rate swap are recognized in the income statement.

Hedged item:

Loan, EUR 20,000,000

Hedge derivative instrument:

Interest rate swap nominal amount EUR 20,000,000, for the period 22 Nov 2024 to 22 July 2027.

The company receives 6 months Euribor interest rate and pays fixed interest rate. The fair value of the contract at the balance sheet date was EUR -3,554

The cash flows of the interest rate swap are recognized in the income statement but the fair value adjustment is recognized in fair value reserve.

Harvia is exposed to interest rate risk related to the floating interest rate payments of a EUR 20 million term loan. Interest rate risk refers to the fluctuation of cash flows due to changes in market interest rates. Harvia mitigates this risk with an interest rate hedge, aimed at minimizing the impact of interest rate fluctuations.

There is an economic relationship between the hedged item and the hedging instrument: The loan interest payments are linked to 1-month Euribor and derivative payments received are linked to 1-month Euribor. The interest rate setting for both hedging instrument and the hedged item are defined on the same date.

The effect of credit risk does not dominate the value changes arising from this financial relationship.

The application of hedge accounting requires that the impact of credit risk does not dominate the value changes resulting from the financial relationship being hedged. Standard & Poor's long-term credit rating for the counterparty in the derivatives transaction, Danske Bank, is AA-. Credit risk is considered low and is not a dominant factor in the hedge relationship.

The hedge relationship is 1:1, and the terms are assessed qualitatively on a quarterly basis.

GUARANTEES AND COMMITMENTS

EUR	2024	2023
Rental payments under lease contracts		
Payable during the following financial year	44,865.96	45,945.96
Payable in later years	34,704.73	81,554.64
	79,570.69	127,500.60
Derivatives		
Interest rate swap 21-Jan-2022 - 15-Dec-2026		
Nominal value	36,500,000.00	36,500,000.00
Present value	982,223.00	1,869,013.00
Interest rate swap 22-Nov-2024 - 22-July-2027		
Nominal value	20,000,000.00	0,00
Present value	-3,554.00	0,00

PROPOSAL BY THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

Harvia Plc's total unrestricted equity amounts to EUR 81,045,027.38 in total, of which profit for the period accounts for EUR 18,797,782.38. Harvia targets a regularly increasing dividend with a bi-annual dividend payout. In order to determine the amount of dividend, the Board of Directors has assessed the company's solvency and financial standing after the end of the period.

Harvia's Board of Directors proposes to the Annual General Meeting that the company distributes a dividend of EUR 0.75 (0.68) per share, EUR 14,020,677.00 in total, for the financial period ended 31 December 2024. The Board of Directors proposes the dividend to be paid in two instalments, EUR 0.38 per share in April 2025 and EUR 0.37 per share in October 2025.

SIGNATURES FOR THE FINANCIAL STATEMENTS, SUSTAINABILITY STATEMENT AND THE BOARD OF DIRECTORS' REPORT

To the best of our knowledge, the consolidated financial statements prepared in accordance with IFRS Accounting Standards and the parent company financial statements in accordance with Finnish Accounting Standards (FAS), give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings included in the consolidation taken as a whole.

The Board of Director's report includes a fair review of the development and performance of the business and the position of the company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The sustainability statement included in the Board of Director's report is prepared in accordance with sustainability reporting standards referred to in Chapter 7 of the Finnish Accounting Standards (FAS) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council.

In Helsinki, 12 February 2025

Heiner Olbrich
Chairman of the Board

Matias Järnefelt
CEO

Olli Liitola
Member of the Board

Anders Holmén
Member of the Board

Hille Korhonen
Member of the Board

Catharina von Stackelberg-Hammarén
Member of the Board

Markus Lengauer
Member of the Board

AUDITOR'S NOTE

A report on the audit performed has been issued today.

In Helsinki, 12 February 2025

Deloitte Oy

Authorised Public Audit Firm

Johan Groop

Authorised Public Accountant (KHT)

AUDITOR'S REPORT

(Translation of the Finnish Original)

To the Annual General Meeting of Harvia Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Harvia Plc (business identity code 2612169-5) for the year ended 31 December 2024. The financial statements comprise the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, profit and loss statement, cash flow statement and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 3 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER**HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER****Valuation of Goodwill**

Refer to Note 3.2 to the financial statements

The Company's evaluation of goodwill for impairment involves the comparison of the recoverable amount of each applicable cash generating unit ("CGU"), or group of CGUs, to its carrying value on at least an annual basis, in line with International Accounting Standard ("IAS") 36 'Impairment of Assets'.

The consolidated goodwill balance is € 91,0 million as of 31 December 2024, representing 34,4% of the total assets in the balance sheet.

The Company based the recoverable amount on the value in use, which uses a discounted cash flow model. Management's discounted cash flow model consists of budgets and financial estimates for an explicit period of five years and cash flows beyond the five-year period are extrapolated using estimated growth rates.

We identified the valuation of goodwill as a key audit matter because of the significant estimates and assumptions management made in the value in use calculation. Auditing the significant judgements and assumptions management made to estimate the recoverable amount required a high degree of auditor judgement and increased audit effort, including the need to involve our valuation specialists.

Our audit procedures focused on evaluating the discount rates, revenue, profit margins and sales growth rates used in the discounted cash flow model to determine the value in use and included the following audit procedures, among others:

- We evaluated management's ability to accurately forecast future revenue, profit margins and growth rates by performing procedures such as comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's revenue and profit margin forecasts by comparing the forecasts to:
 - Historical revenues and profit margins.
 - Internal communications to the Board of Directors.
 - Forecasted information included in the Company's earnings releases as well as in analyst reports for the Company.
- With the assistance of our valuation specialists, we evaluated the mechanical accuracy of the impairment model and the reasonableness of the valuation methodology.
- With the assistance of our valuation specialists, we assessed the appropriateness of the discount rates, including by developing a range of independent estimates and comparing those to the discount rates selected by management; and
- We evaluated the adequacy of the Company's disclosures against the requirements of IAS 36.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in EU regulation No 537/2014, point (c) of Article 10(2) relating to the consolidated financial statements or the parent company's financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

INFORMATION ON OUR AUDIT ENGAGEMENT

We were first appointed as auditors by the Annual General Meeting on 26 April 2024.

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 12 February 2025

Deloitte Oy
Audit Firm

Johan Groop
Authorised Public Accountant (KHT)

Independent auditor's report on the ESEF financial statements of Harvia Plc (Translation of the Finnish Original)

To the Board of Directors of Harvia Plc

We have performed a reasonable assurance engagement on the consolidated financial statements (7437002UKTBOWQQOXL69-2024-12-31-fi.zip) of Harvia Plc (2612169-5) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of the Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of the Commission's regulatory technical standard.

AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's regulatory technical standard. We express an opinion

on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and

- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgment. This includes an assessment of the risk of a material deviation due to fraud or error from the requirements of the Commission's regulatory technical standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Harvia Plc (7437002UKTBOWQQOXL69-2024-12-31-fi.zip) for the

financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our audit opinion on the audit of the consolidated financial statements of Harvia Plc for the financial year ended 31.12.2024 has been expressed in our auditor's report dated 12.2.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki, 13 March 2025

Deloitte Oy

Audit Firm

Johan Groop

Authorised Public Accountant (KHT)

Assurance report on the sustainability statement (Translation of the Finnish Original)

To the Annual General Meeting of Harvia Plc

We have performed a limited assurance engagement on the group sustainability statement of Harvia Plc (2612169-5) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.-31.12.2024.

OPINION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

- the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
- the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Harvia Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

BASIS FOR OPINION

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

We draw attention to the fact that the group sustainability statement of Harvia Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.-31.12.2024.

Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

AUTHORISED GROUP SUSTAINABILITY AUDITOR'S INDEPENDENCE AND QUALITY MANAGEMENT

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The authorised group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the authorised sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director of Harvia Plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS IN THE PREPARATION OF A SUSTAINABILITY STATEMENT

In preparing the sustainability statement, the company is required to conduct a materiality assessment to identify relevant matters to be reported. This process involves significant management judgement and choices. Due to the nature and characteristics of sustainability reporting, this type of information

involves estimates and assumptions, as well as measurement and evaluation uncertainties.

In reporting forward-looking information, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

RESPONSIBILITIES OF THE AUTHORISED GROUP SUSTAINABILITY AUDITOR

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DESCRIPTION OF THE PROCEDURES THAT HAVE BEEN PERFORMED

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

OUR PROCEDURES INCLUDED FOR EX. THE FOLLOWING:

- Performed inquiries of the company's management and personnel responsible for collecting and reporting the information contained in the sustainability statement at the group level and for subsidiaries, as well as at the different levels and business areas of the organization.

- Obtained an understanding of the company's sustainability reporting process, internal controls, and information systems related to the sustainability reporting process through inquiries.
- Reviewed the supporting documentation and records prepared by the company, where applicable, and assessed whether they support the information included in the sustainability statement.
- Performed site visits at selected locations.
- With respect to the double materiality assessment process, we evaluated the implementation of the process conducted by the company in relation to the requirements of the ESRS standards and assessed whether the disclosed information on the double materiality assessment is in accordance with the ESRS standards.

- Evaluated whether the sustainability statement meets the requirements of the ESRS standards, in all material aspects, regarding material sustainability matters to a significant extent.
- With respect to the EU taxonomy information, we obtained an understanding of the process by which the company has identified taxonomy-eligible and taxonomy-aligned economic activities and assessed the compliance of the related disclosed information with the regulations.

Helsinki, 12 February 2025

Deloitte Oy

Authorised Sustainability Audit Firm

Johan Groop

Authorised Sustainability Auditor



HARVIA

HARVIA

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