

ILOQ OY AND ITS SUBSIDIARIES

Sustainability Policy

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Introduction

This Policy provides a framework for the sustainability objectives which align with iLOQ's purpose, values and strategic priorities. Sustainability objectives and their metrics are defined in the part of management systems' objectives, and they are monitored according to the annual plan.

This Policy will be communicated to the whole organization through employee inductions, trainings and informal communication methods.

01



Roles and Responsibilities

Board	The ESG matters are reviewed by the Board's annually.
Leadership Team	iLOQ's top management is committed to comprehensive sustainability management. The ESG topics are reviewed in Management Review yearly
Sustainability Board	The Board overlooks ESG strategy implementation. It's accountable for ensuring ESG impacts, risks and opportunities are identified, managed and reported accordingly.
ESG Team	The ESG team is responsible for aligning processes and procedures to manage impacts, risks and opportunities. The team is responsible for ESG reporting.
Employees	Understand and follow policies. Participate in trainings. Reporting the new possible risks and effects to ESG team.

Our Planet

We are committed to reduce our emissions in line with our science-based target set in 2023. We reduce our emissions through our supply chain partners and innovating ways to reduce the carbon footprint of our products.

We focus on improving circularity in both our products and their packaging materials, as well as enhancing recycling and proper waste management practices throughout the value chain.

Environmental policy

We respect the environment and pay attention to the environmental impact of our operations, products and software solutions during their whole lifecycle and therefore have stated our environmental requirements and compliance obligations that are received by customers as well as those laid out in regulations, applicable laws, and other compliance criteria. iLOQ complies with the requirements of ISO 14001:2015.

Our Environment policy is developed continuously and systematically to promote environmental protection. Environmental targets are set, and the harmful effects of our operations are constantly measured, followed and controlled. Environmental deviation detected in our operations are handled openly and the obtained information is utilized in the continuous improvement of our processes, methods and procedures. Environmental consciousness is valued by evaluating the aspects and risks of our operations, and also encouraging suppliers, partners and customers to control their environmental impacts and to commit to environmental standards.

We follow iLOQ substance list which define "Prohibited substances", substances that must not be used, and "Restricted substances", substances whose use should be limited within iLOQ. The purpose of this list is to comply with legislation to avoid chemical elements and compounds that may represent hazards to the environment or the health of workers, customers, consumers and other stakeholders, or could negatively influence end of life properties or might cause other concerns e.g. conflict minerals.

The environmental policy applies to all levels in the organization. The environmental policy is approved and communicated to everybody in the Company. Taking care of the environment is the responsibility of everyone. Each employee is aware of their and their operation's impact on the environment and safety, and they are able to initiate and, where necessary, take preventive and corrective actions.

Relevant SDG Targets:
 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



Decarbonization Policy

iLOQ is committed to actively reducing greenhouse gas (GHG) emissions across our operations, value chain, and product lifecycle. This Decarbonization Policy outlines our approach to identifying, measuring, reducing, and reporting emissions in line with climate science and global efforts to limit global warming to 1.5°C.

Over 90% of our GHG emissions come from our upstream supply chain. We focus on pursuing decarbonization with our supply partners, to help us reach our science-based net-zero target by 2050 with 90% reduction. We are committed to increase the number of suppliers having their own science-based targets (Sustainable Sourcing Policy)

We integrate emission reduction ambitions to our supplier selection and evaluation criteria. We invest in Sustainable Aviation Fuel (SAF) in our customer deliveries and find small wins in our operations to reduce emission production. All employees are encouraged to contribute by adopting energy-efficient behaviours.

We account for our emissions in Scope 1 and 2 and for Scope 3. Data is disclosed annually in our sustainability report and through CDP. iLOQ Sustainability Board and COO is responsible for following up reductions in GHG intensity.

We conduct product lifecycle assessments to find out emission hotspots and study alternative raw materials. We conduct annual reviews on GHG data and have validated science-based targets.

Relevant SDG Targets:

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
13.2: Integrate climate change measures into national policies, strategies and planning



Waste management and Product End-of-life Policy

This policy outlines iLOQ's commitment to responsible waste management and the sustainable handling of our products at their end-of-life. As we design and distribute hardware products, we recognize our role in minimizing environmental impact throughout the product lifecycle—from design and operations to disposal or recycling.

Waste Management

In our offices, comprehensive recycling methods are in place and trained to the personnel. We follow applicable laws and regulations to control recycling of electronic waste and packaging waste. We monitor recycling rates monthly and have a target of 75% recycling rate in our operations.

Product End-of-Life

To avoid waste, we design products with a long lifecycle, which can be reused by reprogramming and disassembly. We minimize material use also to reduce packaging waste. Our target is to improve material reusability, by investigating the possibility to use recycled input material in our products. This will also directly decrease the carbon footprint of our products.

The product end-of-life recycling is managed by our partners. Where direct sales process applies, we are responsible for arranging EOL recycling. We comply with WEEE directive and packaging waste directive, as well as RoHS and REACH when applicable. Our ambition is to extend the recycling scheme to countries outside EU. Our target is to have 80% countries covered by a take-back scheme by 2026.

To ensure proper product end-of-life treatment, we communicate waste management topics with our customers and follow industry trends to ensure, products will be recycled efficiently.

Relevant SDG Targets:

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
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Our People

04



People Policies

Our key to success is our personnel and in the very heart of our business is our employees. We believe in people, and we want to create a work environment where our people can thrive, grow and belong.

Our people policies are essential for creating a structured and fair work environment, ensuring legal compliance, managing risks, fostering a positive organizational culture, and supporting the development and well-being of employees. They serve as a guide for both employees and management, promoting a safe and effective workplace.

iLOQ People Policies

Absence Policy

Anti-harassment Policy

Disciplinary Policy

Diversity, Equity & Inclusion Policy

Health, safety and wellbeing Policy

Learning and Development Policy

Recruitment Policy

Remote Working Policy

Remuneration Policy

Travel and Credit Card Policy



Human Rights Policy

iLOQ is committed to respecting all internationally recognized human rights as outlined in the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

We comply with the rule of law, respecting regulations and agreements in the jurisdiction in which we operate.

We respect and support human rights, including freedom of association, collective bargaining, elimination of forced and child labor, non-discrimination, fair employment practices and safe and healthy working conditions.

We pay special attention to vulnerable groups, such as children, minorities, migrants, and persons with disabilities, and expect our suppliers and partners to do the same.

Scope

This policy applies to all iLOQ Group employees, contractors and business partners across our value chain. While we work actively with our stakeholders to achieve our goals, we recognize that some factors beyond our direct control may limit our influences on environmental and social impacts.

Human Rights Due Diligence

We identify, assess, and address actual and potential human rights impacts in our operations and supply chain. We aim to ensure that all human rights risks and impacts are integrated into our operations across all relevant functions. We integrate findings into our processes, track responses, and communicate how impacts are addressed. We expect our suppliers and partners to uphold these standards and conduct risk-based assessments as appropriate.

Stakeholder Engagement

We engage with internal and external stakeholders to understand their perspectives and improve our human rights practices. We also report on our human rights efforts and progress through public disclosures.

Grievance Mechanisms and Remediation

iLOQ provides accessible channels for employees, partners, and external stakeholders to raise concerns or grievances confidentially and, where permitted, anonymously. We are also committed to remediating adverse impacts we cause or contribute to, and to cooperating in remediation with partners when appropriate.

Governance

This policy is supported by additional policies and procedures as needed and we are committed to ongoing improvement, adapting our approach in line with best practices and stakeholder input. The iLOQ Leadership Team oversees the implementation of this policy, with day-to-day responsibility assigned to relevant functions and the policy is reviewed regularly. This policy is approved by iLOQ's Leadership Team and Board of Directors.



Business Ethics

We are committed to high ethical standards and conduct our business and operate in compliance with applicable regulations, applicable laws, other compliance criteria, and generally accepted practices for good governance.

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Good Governance

We are committed to complying with all laws and regulations wherever we operate, and we ensure this e.g. through formal and comprehensive risk management process and procedures. We understand that violating laws and regulations can cause serious harm to our stakeholders. All of our employees must be aware of the applicable laws and regulations and commit to complying with them in accordance with company policies. iLOQ actively and openly participates in the life of communities where the Company operates.

We promote the well-being of communities, for example, by paying taxes, providing direct and indirect employment and participating in community activities. We report ESG performance and disclose relevant information to provide transparency to stakeholders. Our business is governed by a set of policies and instructions.

Customer Health and Safety

iLOQ is committed to protecting the health and safety of our customers and end-users by ensuring that all our products are safe to use, comply with applicable regulations, and undergo thorough safety testing. This policy outlines our commitment to compliance, product stewardship, and monitoring health and safety performance.

We follow regulations, e.g. REACH and RoHS, which aim to ensure safe levels of substances. When products contain Substances of Very High Concern (SHVC), we report in SCIP database accordingly. Our R&D function has dedicated resource to ensure compliance with the applicable regulation and uses a support service to collect data from our supply network.

Our products undergo conformity assessments, risk analyses and safety testing by accredited bodies. Where applicable, our products are CE marked. Testing and certifications are applied based on market and product needs.

We maintain product traceability information and lot control to ensure rapid response in case of issues. Our customer support team responds to quality and safety complaints. We provide user manuals, that are clear and accessible. We purchase custom components only from suppliers approved by iLOQ, ensuring proper control of quality and safety.

Our product development process sets these guidelines in practice, to ensure all quality requirements are fulfilled. Customer health and safety is inherently interlinked with product quality.

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limitless.