

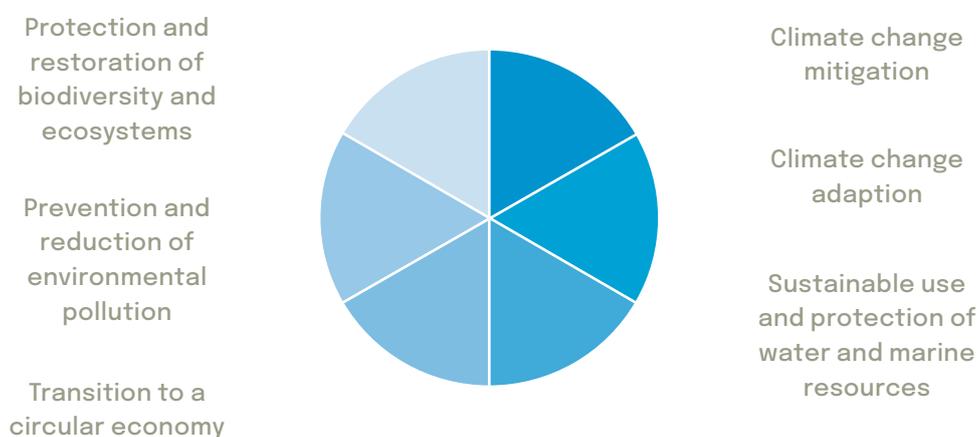
# Panostaja's EU Taxonomy Report

The EU taxonomy is the EU's judicial classification system for sustainable funding, which provides a harmonized method for defining financial activities that have the most significant impact on the EU's measures to prevent climate change, other actions related to environmental protection, and the achievement of the set goals. The taxonomy promotes attainment of the EU's environmental goals and the green transition by steering funding toward sustainable targets. The aim is to increase financing efficiency for the transition to a more sustainable economy by indicating which financial operations are most significant for reaching the environmental goals and which should be considered with regard to sustainable investments. The regulation increases the transparency of business activities for investors and clarifies which company activities generate a more sustainable future.

In the first phase, the EU taxonomy classification system covers the sectors with the highest potential to reach the EU-level goals set for climate change mitigation (cutting net carbon dioxide emissions by 55% from the 1990 level by 2030 and achieving carbon neutrality by 2050). Based on this starting point, the EU has specified the taxonomy classification system to cover the sectors that have the highest total carbon dioxide emissions and, according to research evidence, the highest potential to avoid and reduce carbon dioxide emissions, remove carbon dioxide emissions or store them for long periods, or enable such activities in the context of other financial operations. The regulation states that financial activities are sustainable if they substantially promote one or more of the environmental goals and do not cause significant detriment to any other goals. The regulation lays down specific indicators for each goal to determine when certain activities are causing significant harm to them. For example, an activity is considered to cause significant harm to climate change mitigation if it generates substantial greenhouse emissions.

The taxonomy includes six environmental objectives and, to be viable for the taxonomy, a measure must benefit at least one of them without harming the others.

## Environmental objectives according to the taxonomy



At the end of the 2021 financial period, Panostaja has a majority holding in four investment targets:

**Grano** is a versatile content service specialist in Finland, providing marketing and communications solutions that promote the customers' sales, brand and profit – everything from digital to print services. The company's services cover all content projects that support business from start to finish, from creative design to production, publication, result measurement and asset management.

**CoreHW** provides design and consulting services related to radio frequency (RF) microchips and antennas used in wireless technologies. The company's business is divided into design services, consulting and the development of proprietary and licensed technologies (IP).

**Hygga** offers a new kind of ERP system as a licensed service to public and private dental care and health care providers. It also runs a dental clinic in Kamppi, Helsinki, with an entirely new service concept based on the proprietary ERP system.

**Oscar Software** is a software service company specialized in the development of enterprise resource planning (ERP) systems and various business services. In addition to the diverse ERP systems, Oscar provides financial management and HR services as well as software for webstores and services for online business.

Panostaja conducted the analysis related to the EU taxonomy based on existing information. Based on the analysis, it was found that none of the company's business operations fall within the sectors specified by the EU taxonomy as having a key role in achieving the climate-related and environmental objectives of the EU.

KPI	Total, MEUR	Financial activities viable for the classification system	Financial activities not viable for the classification system
Net sales <sup>1</sup>	133.0	0%	100%
Capital expenditure <sup>2</sup>	5.0	0%	100%
Operating expenditure <sup>3</sup>	24.3	0%	100%

1) Net sales according to the 2021 financial statements

2) Investments into tangible and intangible assets

3) Rental costs and other expense items describing the expenditures that are necessary for ensuring the continuous and effective functionality of property, plant and equipment items, as reported under other expenses in the 2021 financial statements

Panostaja is committed to operating as an active owner in accordance with the principles of responsible investment. In making new investment decisions and developing its segments, Panostaja considers the relevant environmental factors alongside financial perspectives. The aim of our responsibility efforts is to develop companies that are more valuable, competitive and responsible than ever before. In addition to risk management related to the environment, our segments can leverage best practices to assume responsibility for the development of environmental matters, by innovating new products and methods, and reduce costs.

Panostaja's largest subsidiary Grano has been granted four environmental certificates. The FSC or PEFC markings on print products ensure that the raw materials come from certified forests managed according to the principles of sustainable development or that recycled materials are used. Grano has the ISO 9001 and ISO 14001 certificates. In addition to this, Grano is centralizing its operations to new premises as part of its overall efforts to improve energy efficiency.

SFDR (Sustainable Finance Disclosure Regulation), i.e., the obligation to consider sustainability risks and harmful sustainability impacts, is an essential aspect of the taxonomy as regards the financial sector. Panostaja is actively monitoring the operations of its segments and the possible environmental impacts of the operations. The business operations aim to minimize environmental impacts. At the moment, the environmental aspects reported on by the Group include electricity consumption and carbon footprint. In addition to this, the company keeps an eye on legislative changes and strives to demonstrate adherence to the changes.

Panostaja's responsibility efforts are described in the annual report for the 2021 financial period, which is available on the company website:

[https://vuosikertomus.panostaja.fi/wp-content/uploads/2022/01/Panostaja\\_Financial\\_Statements\\_2021-1.pdf](https://vuosikertomus.panostaja.fi/wp-content/uploads/2022/01/Panostaja_Financial_Statements_2021-1.pdf)

More information on how Grano accounts for environmental matters is available here:

<https://www.grano.fi/yrittys/ymparisto-ja-ekologisuus>