

Climate Change Policy

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Audience

This policy is aimed at all Fellows, Leadership Team and administrative bodies of F-Secure.

1) Market-based emissions focuses on the individual company and its contract agreements in the market. Market-based emissions are associated with energy a company purchases, which is different from the power the local grid generates.

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1. Overview

Our ambition is to deliver socially and environmentally sustainable security experiences to our partners and end-users. The Climate Change Policy will support us to drive environmental improvements in our business in a transparent and proactive manner.

We have identified material environmental topics that we can impact and established governance to create and drive climate change related action plan within F-Secure. Through these actions F-Secure will reduce emissions, transition to green energy, fulfill stakeholder expectations and legal requirements. All of which will make the company more attractive towards partners, investors and hiring new talent.

This policy covers the topics of climate change mitigation and adaptation, and renewable energy. The Climate Change Policy is based on the values and principles defined by F-Secure Code of Conduct.

2. Objectives

The objectives of this policy are to define:

- main climate change mitigation activities and principles
- strategic objectives and stakeholder dialogue
- key roles for climate change governance
- climate change related impacts, risks and opportunities including climate change adaptation

2.1 Climate change mitigation principles

In line with EU regulation and industry development, we have set our key greenhouse gas (GHG) emissions reduction target in line with the Paris Agreement, doing our part to limit global warming to 1.5 °C. Our target is to reduce our GHG emissions by 42% between 2023 and 2030 in our own operations and across our up-stream and down-stream value chain (Scope 1, 2 and 3). The base year for our emission reduction target is 2024.

The target covers the following activities:

- Scope 1: Emissions from our employee-leased car fleet
- Scope 2: Emissions from purchased electricity, heat and cooling, as market-based calculation¹
- Scope 3: Emissions from purchased goods and services, energy upstream, waste, business travel, employee commuting, use of sold products and remote workers.

The principles through which we aim to reach our Scope 1&2 targets are:

- transitioning to renewable energy in the office spaces which we lease. This scope is limited to the facilities where we have control over the decision on the type of electricity contract.
- integrating climate considerations into the decisions on choice and renovation of office spaces
- reducing the impact our fleet has on climate and lease only hybrid and electrical vehicles.

The principles through which we aim to reach our Scope 3 target are:

- F-Secure Scope 3 emission reduction is heavily dependent on our suppliers emission reduction. Efforts to improve emission data and promote supplier emission reduction include:
 - F-Secure Supplier Code of Conduct, which is an integral part of our supplier agreements and reflects our values and expectations for responsible and ethical business conduct

- improving data quality of our value chain emissions enabling us to further improve our reduction efforts
 - reducing emission-intensity of supplier services
- improving F-Secure's own marketing practices (sustainable event practices, reducing promotional materials)
- ensuring F-Secure's travel procedure reflects its climate ambition
- emission reduction of our products in use phase. For example, using low emission hosting services
- implementation of green coding practices.

2.2 Strategic objectives and stakeholder dialogue

At F-Secure, we are committed to environmental responsibility in all aspects of our operations. At our core, we're a cloud-based cyber security software-as-a-service company with a small environmental impact. We know that climate change is important for our stakeholders, and we take that in account in our strategic decision-making process. It is of high importance for F-Secure to ensure we meet not only the current but also future expectations of our stakeholders.

F-Secure climate change mitigation ambition and related targets will be reviewed if significant changes in stakeholder or regulatory requirements occur. Furthermore, we will annually conduct a review of the materiality of the climate change sub-topics to ensure our assessment remains up to date. In case an update is required it will be conducted as part of F-Secure's annual strategy review and update process.

2.3 Climate change governance

The climate change governance is conducted in accordance with the ESG Governance matrix, available in the F-Secure ESG Policy. The Environment Committee is responsible for operationally driving the actions to reach the climate change reduction targets and reports progress to the ESG Council, and Audit Committee.

2.4 Climate change related impacts, risks and opportunities including climate change adaptation

Through identifying the impacts, risks and opportunities related to climate change, F-Secure can identify areas where climate change adaptation planning, and actions are required.

Risk assessment including negative impact assessment for climate change related topics will be conducted in accordance with F-Secure risk assessment process. Positive impacts and opportunities will be analysed along the year and brought to the attention of the ESG Council when considered significant.

Impacts, risks and opportunities are also taken into consideration in the company strategy process and linked to our business activities and operations. To support the risk management process related to climate change F-Secure conducts scenario analysis and considers climate-related hazards that can lead to physical climate risks (where applicable).

Adaptation to climate change can be defined as the adjustment in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects. It refers to changes in processes, practices and structures to moderate potential harm or benefit from opportunities associated with climate change.

Based on F-Secure analysis no significant climate change related risks to our operations or assets in regions where we operate would realize due to:

- F-Secure product portfolio consists of products which are very low energy or carbon intensive decreasing the related climate transition risks
- Furthermore, F-Secure has no exposure to gas, oil or other fossil fuel sectoral dependency in its sales
- No legal risks that could lead to climate change related litigation have been identified
- In our supply chain dependency on data centres located on vulnerable areas might have increased risk, however, F-Secure works with major data centre providers like AWS with site redundancy capabilities and taking climate risks into account
- Majority of F-Secure's employees are located on areas where the physical impacts of climate are relatively mild during the next 1 to 10 years.

In short, compared to sectors with "heavy" infrastructure (e.g. energy, water or transportation), cyber security industry has characteristics that provides inherent capabilities to adapt to disruptive events and changes, including those linked to climate change. This is due to predominantly small infrastructure footprint and supply chain, redundancy of service and infrastructure providers and overall fast-paced technological change and innovation.

F-Secure will continue to assess climate hazard on short-, medium- and long-term time horizons and how these definitions are linked to the expected lifetime of its assets. Any changes will be considered in its strategic planning horizons and capital allocation plans will be updated accordingly.