MASTERMARK

VSME SUSTAINABILITY REPORT 2025

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SUSTAINABLE SOLUTIONS, RESPONSIBLY

Read the results of our customer satisfaction survey on page 8.

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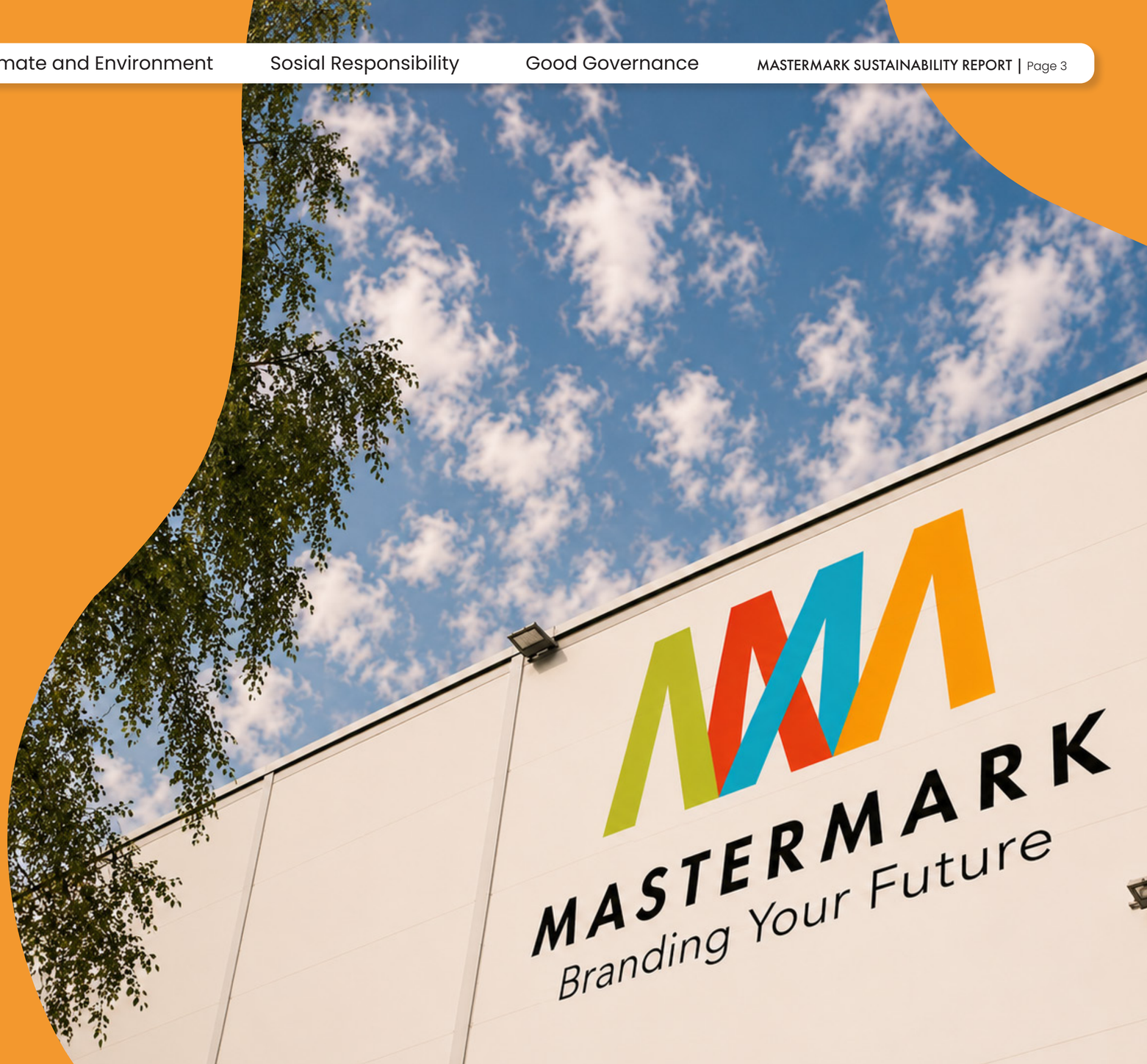

MASTERMARK AS A COMPANY

Mastermark Oy is a Finnish family-owned company founded in 1978. Mastermark Oy is a group consisting of the parent company, Mastermark Oy, and its subsidiaries Mastermark Brands Oy, which imports and represents gift and branded products, and Mastermark Customer Services Oy, which provides sourcing and customer service. The parent company's main business areas include the import, warehousing, branding and sales of corporate gifts and branded merchandise. Mastermark Oy's headquarters are located in Turku. This report covers the parent company Mastermark Oy and Mastermark Customer Services Oy.

Mastermark operates systematically, transparently and responsibly. Our operations are guided by internationally recognised standards, ethical principles and a model of continuous improvement. Sustainability, quality, safety and reliability are integral parts of our operations.

Mastermark's value chain consists of several consecutive stages, extending from global sourcing to the end use of products in customer relationships and product services. A key part of the value chain is our carefully managed international supplier network and high-quality delivery management.

FOUNDED
1978

EMPLOYEES
73

6 000
PRODUCT RANGE

19,3 M
REVENUE

DELIVERIES
50 000

50
OFFICIAL IMPORTER OF 50 BRANDS

3,7 M
PRODUCTS DELIVERED

57
EXPORT COUNTRIES

27
IMPORT COUNTRIES

CEO 'S REVIEW

2025 was a year of strong and consistent sustainability efforts for Mastermark Oy. Sustainability is not a separate theme for us, but an integral part of our business strategy, decision-making and customer promise. Our goal is to be a responsible frontrunner in the branded merchandise and employee gifts industry and a leading force in developing the sector. This is reflected both in the results of our operations and in the long-term choices we make for the future.

During the year, we further strengthened our position as a responsible company by once again achieving the EcoVadis Gold rating, awarded to only the top five percent of assessed companies. The rating demonstrates our performance across the areas of environment, labour and human rights, ethics and sustainable procurement. We achieved Gold for the third consecutive time, and we remain the only Finnish company in our industry to reach this level. This achievement reflects the expertise of our employees and our corporate culture built on quality, safety and sustainability.

We also made significant progress in implementing our environmental strategy. We are committed to achieving carbon neutrality in our Scope 1 and 2 operations by 2035, with an interim target of reducing emissions by 45% by 2030.

In 2025, we continued to calculate emissions across our entire value chain and deepened our understanding particularly of indirect emissions. At the same time, we strengthened our energy efficiency measures and continued investing in renewable energy, including our goal of generating part of the electricity used at our premises with solar panels by 2030.

In terms of materials and waste management, we continued to make progress towards our ambitious goal of reducing mixed waste by 90% by 2030.

Our goal is to be a responsible frontrunner in branded merchandise and employee gifts, and a leading force in developing the industry.

CEO 'S REVIEW

TWe enhanced our recycling practices, updated our packaging solutions and expanded our range of sustainable products and products made from recycled materials, which are increasingly valued by our customers. Our carbon-compensated product solutions and products based on life-cycle thinking also received positive feedback from the market.

In terms of social responsibility, we placed an even stronger focus on employee competence and well-being. We provided annual environmental responsibility training and developed competence-building programmes that support both the well-being of our employees and the company's long-term competitiveness. We also strengthened our occupational health and safety management in accordance with the ISO 45001 standard.

Supply chain responsibility is at the core of our industry. All our suppliers are required to comply with our Code of Conduct, and we are a member of the amfori BSCI network, which supports the assessment and continuous improvement of labour and human rights practices globally. In 2025, we strengthened our supplier assessment processes and increased cooperation with suppliers that invest in circular economy solutions and responsibly sourced raw materials.

Requirements related to information security and good governance continue to increase, and we have responded to this development with an ISO 27001-certified information security management system and by strengthening ethical practices throughout our organisation. This provides our customers and partners with greater assurance that information, processes and supply chains are appropriately protected.

Although we have made strong progress in our sustainability efforts, we also openly recognise the challenges ahead. We operate in a global sourcing environment where labour and human rights risks, material availability and increasing regulatory requirements demand continuous vigilance and transparency. Achieving our climate targets will also require investments, new partnerships and the continuous development of our product range.

In the coming years, we will focus particularly on three key areas:

1. Achieving our climate targets, particularly by reducing Scope 3 emissions in cooperation with our suppliers.
2. Strengthening circular economy principles in our product and packaging solutions.
3. Further improving the ethics and transparency of our supply chain.

I would like to thank all our employees, customers and partners for their contribution throughout 2025. Sustainable solutions are created through collaboration – and Mastermark will continue its work towards a low-carbon, responsible and profitable future.

Turku, 31 March 2026
Lauri Honka, CEO

INTERNATIONAL PARTNERSHIPS

Mastermark is part of international partnership networks that enable responsible supply chains, global expertise and local service. Mastermark has been a member of IPPAG since 1984 and is a founding partner of Prominate, an international corporate gifts and promotional merchandise network.

IPPAG

IPPAG is a leading international promotional products network with members in more than 35 countries worldwide. The partnership provides access to local expertise and high-quality service on a global scale. IPPAG members strive to be genuine drivers of change in the promotional products industry.

PROMINATE

Prominate is an international network of corporate merchandise experts that provides a platform for sharing expertise and contacts, delivering joint projects and serving international customers. Prominate connects more than 70 offices across 47 countries. Through the network, Mastermark provides its customers with global coverage, innovative solutions and responsible business practices.

CUSTOMER SATISFACTION SURVEY

At the heart of Mastermark's operations is the continuous improvement of our business and the creation of the best possible customer experience. Our operations are guided by strong customer focus, high quality and a long-term commitment to meeting and exceeding our customers' needs and expectations. The principle of continuous improvement is reflected throughout our operations, from product and service development to customer service and delivery process management.

Customer satisfaction is one of Mastermark's key indicators of success. For this reason, we conduct an annual customer satisfaction survey to monitor our customers' experiences of our service, products and cooperation. In connection with the survey, we also collect open customer feedback, which is actively utilised in developing our operations, services and processes. This ensures that customer expectations are met and that our service experience continues to develop in the right direction.

Mastermark's long-term commitment to quality and customer experience is also reflected in the survey results. According to the 2025 customer satisfaction survey, 99.6% of customers were satisfied with the quality of our service and 98.7% with the quality of our products. In addition, 97.4% of respondents stated that they would be willing to recommend Mastermark as a supplier of branded merchandise to their customers.

99,6 %
SERVICE QUALITY

98,7 %
PRODUCT QUALITY

97,4 %
WOULD RECOMMEND MASTERMARK

COMMENTS FROM OUR CUSTOMERS

> We feel that we receive very comprehensive information about your products and offers, and you continuously keep us up to date on what is available.

> Everything works extremely well. You have a versatile and constantly evolving product range, and your sales team is excellent and proactive.

> It is great that you have invested in sustainability; safety-related products are also popular.

> We have been able to design corporate gifts that truly represent our company and are a pleasure to give to our customers.

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STRATEGY

Mastermark's strategy is built on delivering an excellent customer experience, developing responsible business practices and continuously improving our operations. Our goal is to be our customers' preferred partner by providing innovative, high-quality and responsible solutions. The strategy guides all our operations, from product range development and customer service to sourcing and supply chain management.

At the core of our operations is understanding our customers' needs and continuously developing the expertise of our personnel. Mastermark invests in high-quality products, efficient processes and the use of digital solutions to create added value for our customers and respond to changing market requirements.

Sustainability is an integral part of Mastermark's strategy. We develop our operations from the perspectives of the environment, society and good governance while promoting sustainable growth across our entire value chain. Our goal is to combine business success, customer satisfaction and responsible practices in a way that creates long-term value for our customers, employees, partners and society.

Our strategy supports Mastermark's quality management system and its objectives, customer satisfaction, continuous improvement and sustainable business growth.

KEY STRATEGIC PRIORITIES

CUSTOMER FOCUS

Goal is to deliver a first-class service experience across all customer interactions.

SUSTAINABILITY

Operations are ethical and environmentally responsible. Goal is to be the most responsible company in our industry.

TECHNOLOGY

Mastermark invests in new technologies and their effective utilisation and management.

STREGHTENING COMPETITIVENESS

Goal is to strengthen competitiveness by continuously developing our products and operating processes.

SUSTAINABILITY AS AN INTEGRAL PART OF BUSINESS

Mastermark's sustainability efforts are guided by the UN Sustainable Development Goals, the policies and operating principles based on the company's management systems, and applicable legislation. These include our environmental management system (ISO 14001:2015), quality management system (ISO 9001:2015), occupational health and safety management system (ISO 45001:2015), information security management system (ISO 27001:2022), and our social responsibility management principles.

Mastermark's sustainability work is based on the principle of continuous improvement. Its development is guided by changes in society, stakeholder groups and the business environment, our commitment to internationally recognised human rights principles, and the expectations and feedback of our employees, customers, partners and other stakeholders.

Mastermark is committed to operating responsibly, ethically and in a socially sustainable manner. The company is a member of the amfori BSCI system, and its Code of Conduct is based on the UN Sustainable Development Goals and internationally recognised principles of responsible business conduct. In addition to these principles, Mastermark complies with all applicable laws and regulatory requirements in all its operations.

Mastermark's Code of Conduct defines the operating practices and ethical principles according to which the company conducts its business. Mastermark requires its entire supply chain to comply with the same principles of sustainability, ethics and regulatory compliance.

Risk Management

supplier risk assessments completed

82,61 %

(2024: 58,33 %)

Supply Chain Responsibility

suppliers committed to the Code of Conduct

100,00 %

(2024: 13 %)

GOLDEN AWARD

As recognition of its sustainability efforts, Mastermark has been awarded the EcoVadis Gold Medal for the third consecutive year. EcoVadis is one of the world's best-known and most respected sustainability assessment providers. Two million companies have been screened by EcoVadis, with 130,000 companies rated across 180 countries. The EcoVadis Gold Medal is awarded to only the top 5% of rated companies.

EcoVadis medals are awarded to the top 35% of companies assessed by EcoVadis. There are four medal levels: Bronze, Silver, Gold and Platinum.

EcoVadis assesses companies based on criteria covering environment, labour and human rights, ethics and sustainable procurement. Its assessment methodology and ratings are based on internationally recognised sustainability standards and frameworks, including the United Nations Global Compact, the Global Reporting Initiative (GRI) and ISO 26000.

Despite increasingly stringent requirements, Mastermark continues to aim for the EcoVadis Platinum level, achieved by only the top 1% of companies globally.

Gold Level year after year

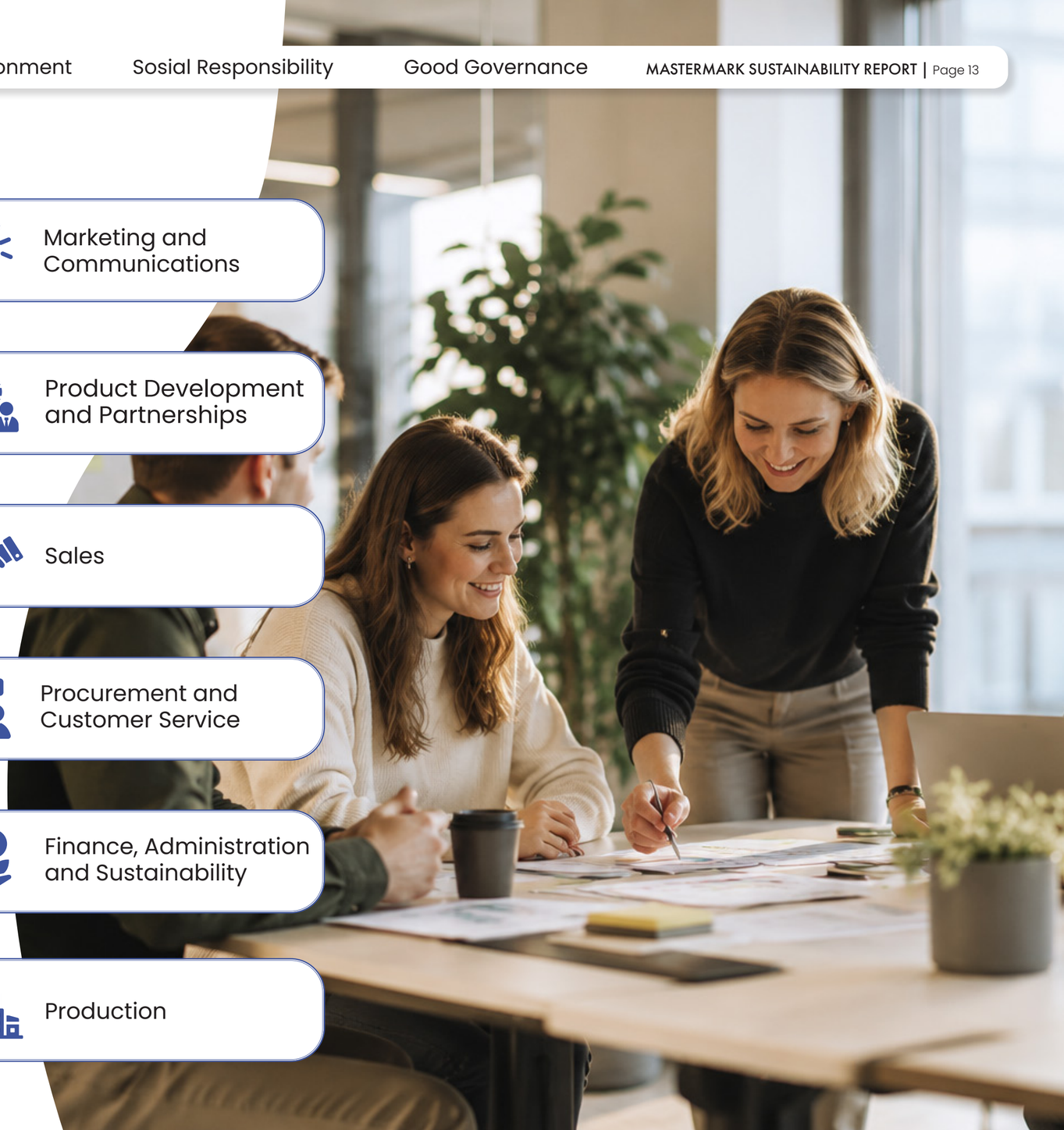
Mastermark's sustainability efforts are progressing steadily towards the Platinum level. Our goal is to remain a responsible frontrunner in our industry also in the future.

ORGANISATIONAL CHART

Mastermark's organisational structure is built on clear areas of responsibility and close collaboration. The organisation is designed to support the company's strategic objectives, customer-focused operations and responsible growth in an ever-changing business environment.

The organisational chart illustrates the key areas of responsibility within Mastermark's operations. The CEO is responsible for the company's overall management, strategy implementation and business development. Mastermark's operations are supported by professional teams that work together to ensure high product quality, customer satisfaction and continuous improvement.

Clear responsibilities and open collaboration enable us to respond quickly to the expectations of customers, partners and other stakeholders.



MATERIALITY

The materiality assessment helps identify the sustainability themes that have the greatest impact on Mastermark's business, stakeholders and the environment. The assessment is based on changes in the operating environment, stakeholder expectations and the company's strategic objectives. By identifying the most material topics, sustainability efforts can be focused on areas where they create the greatest value for customers, employees, partners and society.

KEY THEMES

CLIMATE AND ENVIRONMENT
Climate, natural resources and environmental impact.

SOCIAL RESPONSIBILITY
Employee well-being, safety and equality

GOOD GOVERNANCE
Ethical business practices, transparency and risk management

KEY ESG IMPACTS

- Direct and indirect greenhouse gas emissions (Scopes 1–3) are significant environmental impacts
- Energy consumption and the use of fossil fuels
- Packaging materials and waste
- Product material life cycles and their impacts on ecosystems

- Labour and human rights impacts in the supply chain (global risks)
- Employee well-being, occupational health and safety (ISO 45001)
- Skills, training and employee retention
- Equality and DEI

- Prevention of corruption and unethical business practices (EcoVadis ethics focus)
- Information security and data protection (ISO 27001)
- Systematic risk management

SUSTAINABILITY STRATEGY

Sustainability is a key part of Mastermark's strategy, operating principles and long-term development. Our goal is to strengthen our position as one of the most responsible companies in the industry and to continuously develop our operations from the perspectives of environmental responsibility, social responsibility and good governance. Sustainability work is carried out systematically across our business operations, supply chain and stakeholder cooperation.

The effectiveness of our sustainability work is assessed using internationally recognised assessment models. Mastermark has achieved the EcoVadis Gold rating for three consecutive years, demonstrating strong performance in environmental responsibility, labour and human rights, ethical business practices and sustainable procurement. The level achieved reflects our commitment to continuous improvement, the development of responsible business practices and the consideration of international sustainability requirements in all our operations.

Our strategy supports Mastermark's customer promise to provide responsibly sourced HR gifts and branded merchandise and to continuously improve the customer experience. Sustainability is taken into account throughout the value chain, from product selection and sourcing to delivery chain management and customer cooperation. Our goal is to ensure that our products and services meet high standards of quality, sustainability and ethics while responding to growing customer expectations for sustainable business practices.

SUSTAINABILITY STRATEGY TARGETS

- Achieve carbon neutrality in Scope 1 and 2 emissions by 2035
- Reduce Scope 1 and 2 emissions by 45% by 2030
- Reduce mixed waste by 90% by 2030 and significantly increase the recycling rate
- Increase the use of renewable energy and improve energy efficiency
- Optimise packaging materials and strengthen circular economy practices

- Ensure ethical working conditions throughout the supply chain (amfori BSCI audits)
- Improve employee competence and well-being through annual sustainability training programmes
- Promote DEI principles, including diversity, equality and inclusion

- Continuously improve information security through the ISO 27001 management system
- Ensure ethical business practices through transparent operating principles

SUSTAINABLE DEVELOPMENT GOALS

Mastermark is committed to the United Nations Sustainable Development Goals (SDGs) of the 2030 Agenda. Mastermark's sustainability work covers economic, social and environmental responsibility, with clear indicators and targets set for 2030. Progress is reported annually.

ENVIRONMENTAL RESPONSIBILITY

Reduce environmental footprint and be the most responsible company in our industry

- Reduce mixed waste generated at our own locations by 90% by 2030
- Reduce energy consumption by 20% by 2030
- Increase the share of environmentally friendly products in our product range to 50%
- Reduce fossil CO^2 emissions (Scopes 1 and 2) by 100% by 2035
- Increase the share of renewable energy in total energy consumption to 100%

SOCIAL RESPONSIBILITY

Improve employee well-being and ensure equality within the workplace

- Provide annual sustainability training for all employees
- Zero serious accidents
- Sickness absence below 2% of working time
- Women to represent 50% of management positions
- Conduct performance and development reviews with 100% of employees

ECONOMIC AND GOVERNANCE RESPONSIBILITY

Continuous improvement of revenue and profitability

- Grow the business through increased sales and profitability
- 100% completion rate for operating procedure training
- 100% of purchases from suppliers that accept our ethical guidelines
- 100% of suppliers identified as posing a sustainability risk audited by a third party

CLIMATE AND ENVIRONMENT

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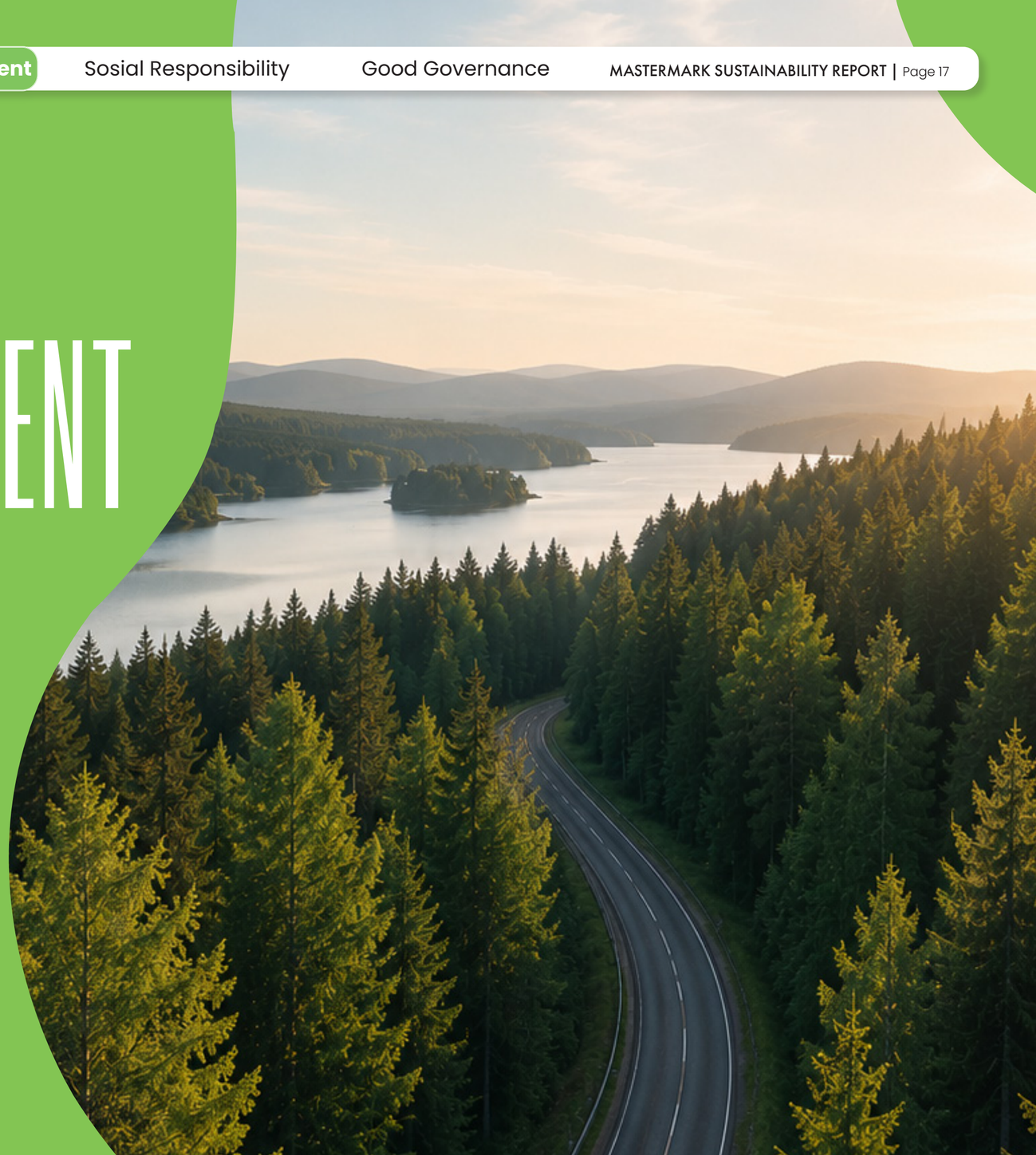


ENVIRONMENTAL POLICY

Mastermark Oy is committed to operating in an environmentally responsible manner and promoting sustainable development across all its business activities. Our goal is to minimise environmental impacts, improve resource efficiency and support the circular economy as part of our strategic sustainability work. Our long-term target is to achieve carbon neutrality in our own operations (Scopes 1 and 2) by 2035. As an interim target, we aim to reduce our Scope 1 and 2 emissions by 45% by 2030.

Mastermark complies with all applicable environmental legislation, regulatory requirements and international standards. We operate in accordance with the ISO 14001:2015 certification, which provides the framework for the continuous development of our environmental management, monitoring progress towards our targets and responding to changes in our operations and legislation. We continuously identify the environmental risks associated with our own operations and climate change and work to prevent their adverse impacts across our operations, production, logistics and supply chain.

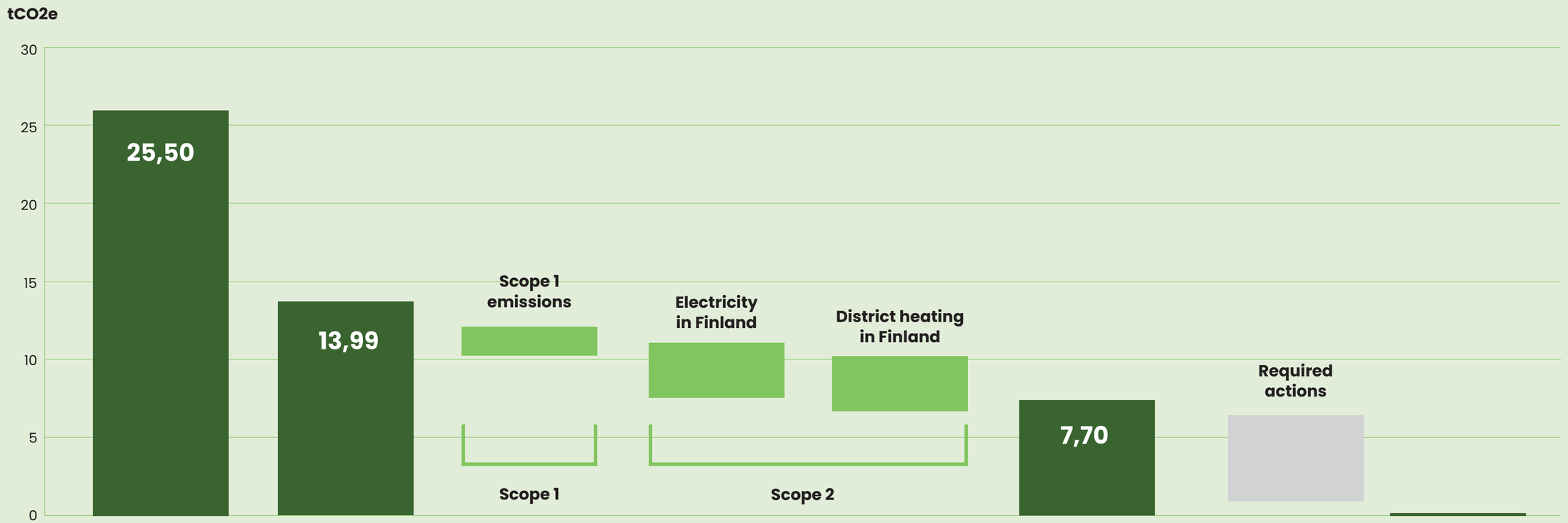
Mastermark reduces energy consumption and is transitioning towards renewable energy sources. Our target is to reduce energy consumption by 20% by 2030, transition to renewable energy at all our locations by 2030, and generate 5% of the electricity used at our production facility with solar panels by 2030.

We optimise the use of packaging materials, reduce waste and promote recycling. Our target is to reduce mixed waste generated at our own locations by 90% by 2030. Greenhouse gas emissions from our own operations are calculated and reported, and targets are set to reduce them. Our operations also take into account the protection of ecosystems and the sustainable use of natural resources.

Our employees are trained and encouraged to act in an environmentally responsible manner. Mastermark cooperates with customers, suppliers and other stakeholders to promote environmental responsibility. We use key performance indicators and metrics to monitor our environmental targets. Progress is reported as part of our sustainability reporting, which is available on Mastermark's website and to our stakeholders.

Area	Target	Target year
Carbon neutrality	Carbon neutrality in own operations (Scopes 1 and 2)	2035
Emission reductions	Reduce Scope 1 and 2 emissions by 45 %	2030
	Expand Scope 3 reporting to indirect procurement	2027
Energy efficiency	Reduce energy consumption by 20 %	2030
	Transition to renewable energy at all locations	2030
	Generate 5 % of the production facility's electricity with solar panels	2030
Waste reduction	Reduce mixed waste by 90% at our own locations	2030
	Promote recycling and the circular economy	2030
Certification and compliance	Operate in accordance with ISO 14001:2015	Ongoing
	Comply with legal requirements	Ongoing
Employee engagement	Annual environmental responsibility training for all employees	Ongoing
Cooperation	Cooperate with stakeholders to promote environmental responsibility	Ongoing
	Compliance with suppliers' climate commitments as a prerequisite for cooperation	Ongoing

ACTIONS TOWARDS CARBON NEUTRALITY IN OUR OWN OPERATIONS (SCOPES 1 & 2)



ENVIRONMENTAL RESPONSIBILITY

Mastermark calculates its Scope 1–3 emissions annually, and progress is reported against the targets set. Energy efficiency measures are implemented and the use of renewable energy is increased. Our goal is to generate part of the electricity we consume with solar panels by 2030.

In production and procurement, we avoid the use of harmful chemicals and favour environmentally friendly materials whenever possible. The environmental impacts of materials are assessed as part of the product development process.

The water-related impacts of our operations are relatively low, but water consumption is monitored and assessed regularly as part of our environmental responsibility efforts. Our goal is to promote efficient and responsible water use and identify opportunities to reduce consumption and improve resource efficiency. Water use is reviewed annually, and development measures are implemented where necessary.

The impacts of materials on ecosystems are considered as part of our operations and product development, and the use of harmful raw materials is avoided whenever possible. Material choices favour responsible and environmentally sustainable alternatives. Product life-cycle impacts are assessed where possible to identify environmental impacts and promote resource-efficient and responsible solutions throughout the product life cycle.

The circular economy is a key part of our strategy and sustainability development. Our target is to reduce mixed waste at our own locations by 90% from the 2024 level by 2030. In addition, we aim to reduce and optimise the use of packaging materials to minimise their environmental impact. Waste is sorted and recycled according to established processes so that materials can be returned to circulation as efficiently as possible and the use of natural resources can be reduced.

Indicator	2025	2024
Scope 1 & 2 emissions, tCO2e	13,99	25,50
Scope 3 emissions, tCO2e**	1647,26	918,39
Energy consumption, MWh	369	416
Mixed waste (non-recyclable), t*	0,06	0,08
Share of renewable energy	35,10 %	3,07 %

**Mixed waste refers to waste that cannot be recovered as material or used in accordance with separate waste collection requirements. It includes non-recyclable or contaminated waste and other waste for which Mastermark does not have a separate recovery or material utilisation method available.*

***The 2025 calculation includes new Scope 3 emission sources identified as material to Mastermark's business (e.g. purchases of office supplies).*

Renewable energy

share increased by 32,03 % compared to the previous year

32,03 %

(2024: 3,07 %)

SCOPE 1, 2 AND 3 GHG EMISSIONS CALCULATION

	Base year 2024	2025	% 2025/2024	Target year 2030	Annual target-% 2030/base year
Scope 1: Direct fuel comsumption in own vehicles and facilities					
Scope 1 emissions (tCO2e)	12,668	10,790	-14,83 %	6,96	16 %
Scope 2: Emissions from purchased energy					
Electricity in Finland (tCO2e)*	2,500	1,850	-26,00 %	1,375	-
District heating in Finland (tCO2e)*	10,330	1,350	-86,93 %	5,681	-
Total Scope 1 & 2 greenhouse gas emissions (tCO2e)	25,498	13,990	-45,13 %	14,016	16,67 %
Scope 3					
Category 1 - Purchased goods and services	803,673	1481,398	84,33 %	-	-
Category 2 - Capital goods	9,672	2,419	-74,99 %	-	-
Category 3 - Fuel- & energy-related	9,552	7,736	-19,01 %	-	-
Category 4 - Upstream transport**	1,487	14,522	876,57 %	-	-
Category 5 - Waste in operations	0,687	0,605	-12,04 %	0,53	5 %
Category 6 - Business travel	36,830	33,648	-8,64 %	-	-
Category 7 - Employee commuting	45,938	24,207	-47,31 %	-	-
Category 8 - Upstream leased assets	3,619	5,438	50,29 %	-	-
Category 9 - Downstream transport***	6,911	77,288	1018,30 %	5,00	-
Category 10 - Processing of sold products	0	0		-	-
Category 11 - Use of sold products	0	0		-	-
Category 12 - Enf-of-life treatment	0,017	0	-100,00 %	-	-
Category 13 - Downstream leased	0	0		-	-
Category 14 - Franchises	0	0		-	-
Category 15 - Investments	0	0		-	7,50 %
Total Scope 3 greenhouse gas emissios (tCO2e)	918,386	1647,26	79,36 %	1010,23	
Total greenhouse gas emissions (tCO2e)	**943,884**	**1661,25**	**77,66 %**		

Marked-based
***Emissions data for trasportation was obtained from the freight partner for the first time*
****The freight partner no longer offers carbon-compensated transportation services*

ENVIRONMENTAL STRATEGY

Mastermark Oy's objective is to be an environmental leader in its industry by reducing the environmental impacts of its operations, supporting the circular economy and contributing to a low-carbon future. The strategy supports the company's business operations, customer value and sustainability profile.

The strategy focuses on material efficiency in production and packaging. The amount of waste is reduced and material recycling rates are increased. Life cycle thinking is applied in product design. Our electricity contracts are being transitioned to renewable energy, and energy efficiency is taken into account in property investments. Carbon footprint calculations are carried out annually and are being expanded to also cover indirect emissions. We assess the materials used in our products and their impacts on ecosystems. We avoid harmful chemicals and favour environmentally friendly alternatives. Suppliers' environmental practices are assessed as part of the sourcing process, and we promote environmental responsibility in cooperation with our partners.

Mastermark's management is responsible for implementing the strategy and allocating the necessary resources. The Managing Director coordinates the development and reporting of the environmental strategy. Employees actively participate in environmental initiatives through training and practical actions. We communicate openly about our environmental targets and achievements to customers, employees and other stakeholders. The strategy is integrated into our sustainability reporting and EcoVadis assessment.

SOCIAL RESPONSIBILITY

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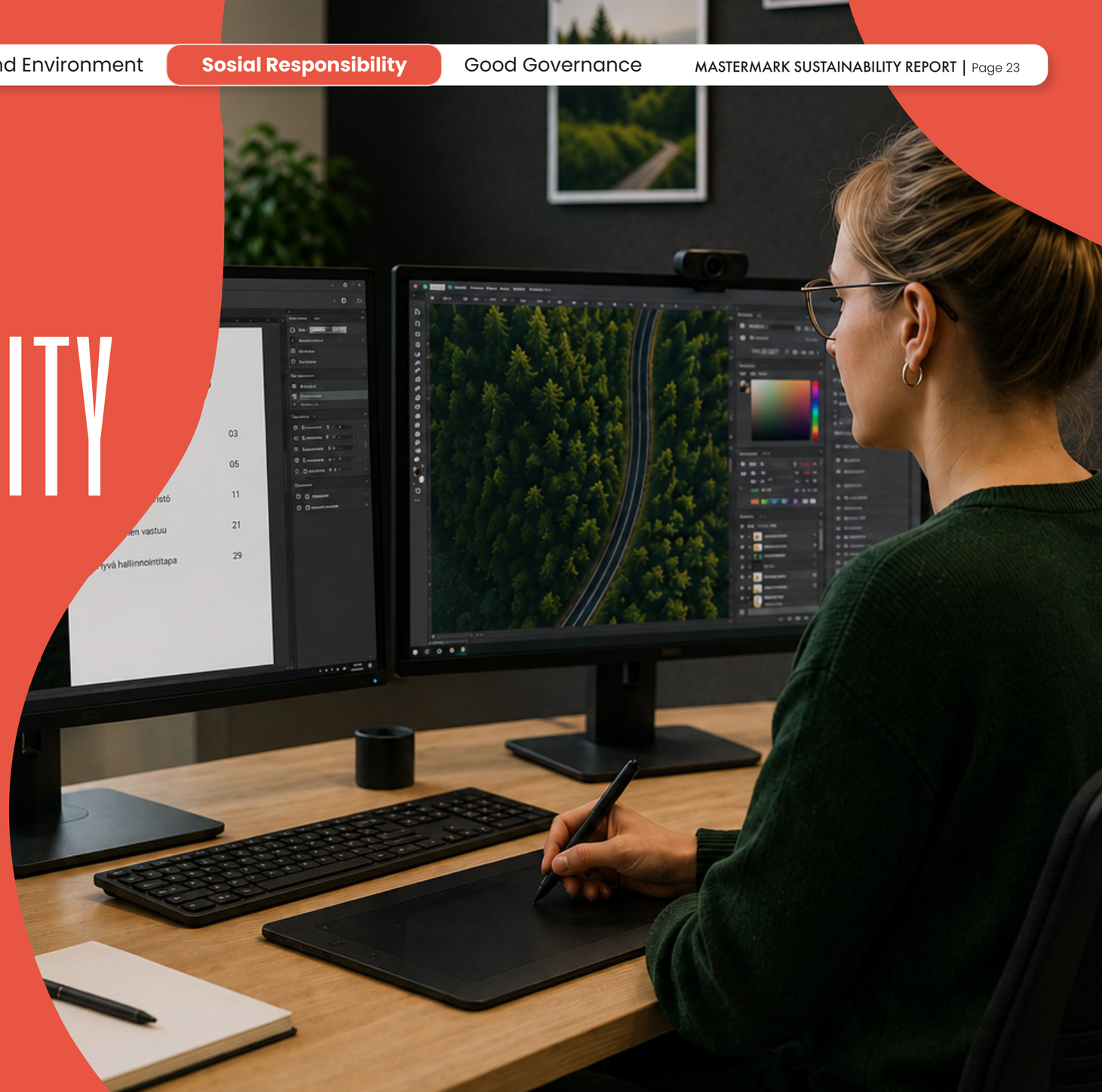


PERSONNEL

In 2025, Mastermark and Mastermark Customer Services employed an average of 73 people in Finland. Of these, 66 had permanent contracts, 2 had fixed-term contracts and 5 had part-time contracts. Employee wellbeing, occupational safety and competence development are systematically supported. Mastermark has an ISO 45001-certified occupational health and safety management system. Key indicators include accident frequency, use of occupational health services and sickness absence.

Mastermark follows the principles of equality, and non-discrimination is ensured in recruitment and career development. Employee diversity is monitored through indicators such as gender distribution, age structure and competence profiles.

Mastermark's workforce consists of 73 employees (FTE), of whom 62% are women and 38% men. The average age is 49 years, and 92% of employment contracts are permanent. Part-time employees account for 1.3%.

Temporary agency workers are used to balance fluctuations in production volume, particularly before the Christmas season. In 2025, 32 short-term temporary agency workers were employed, with their combined working hours corresponding to three person-years.

Employee wellbeing is regularly monitored through sickness absence, accident rates and employee satisfaction surveys.

To develop employee competence, a target of 5 training hours per employee was set for 2025. The entire personnel participates in internal training covering topics such as management systems, safety and sustainability. External training is obtained as needed.

At management and supervisory level, women account for 50%. The company follows the principles of equality.

Indicator	2025	2024	Target
Number of employees	73	70	
Women (%)	62 %	65 %	
Average age (years)	49 v	48 v	
Training hours/employee	5 h	1,5 h	12 h
Sickness absence %*	2,70 %	2,82 %	<2 %
Occupational accidents	0	0	0
Voluntary employee turnover (after probationary period) %	2,78 %	5,71 %	<5 %
Employee development discussions	83 %	79 %	100 %

**The sickness absence rate is calculated by dividing employees' sickness absence hours by actual working hours and multiplying the result by 100. The figure reports the development of employee wellbeing and supports occupational wellbeing indicators in accordance with the ESRS S1 standard.*

Diversity

share of women at management and supervisory level

50,00 %

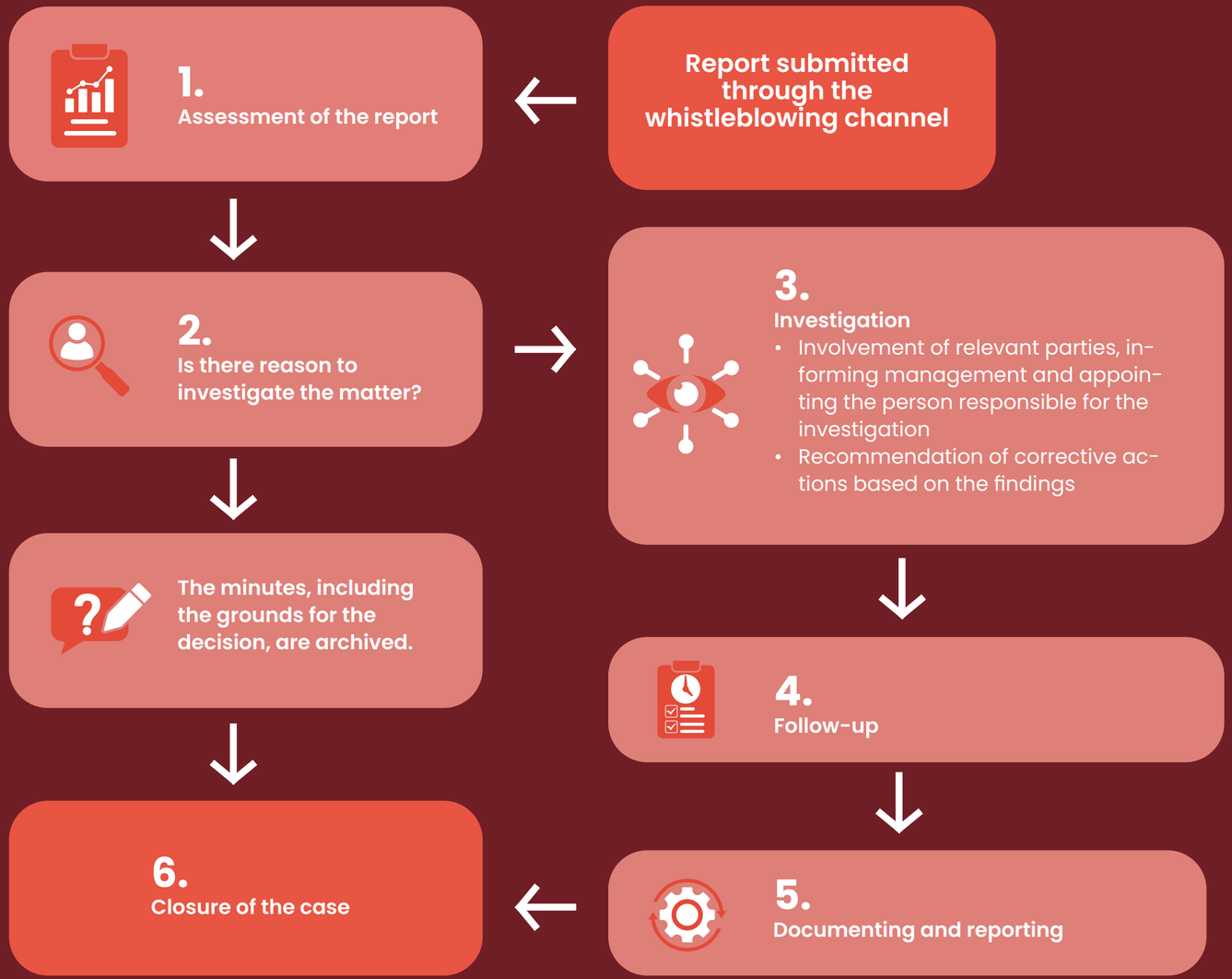
WHISTLEBLOWING CHANNEL

Mastermark's whistleblowing channel is available at www.mastermark.ilmoituskanava.fi. The channel is available in Finnish and English and can be used by both Mastermark employees and other stakeholders.

The purpose of the whistleblowing channel is to provide a safe and confidential way to report identified irregularities, inappropriate conduct or suspected unlawful activities. Reports can also be submitted anonymously.

Mastermark uses a system provided by the Finland Chamber of Commerce for its whistleblowing channel. The system has been designed with a high level of information security and protection of whistleblowers' anonymity.

REPORTING PROCESS



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SUPPLY CHAIN

Mastermark has an extensive international supplier network operating in various business environments where risks related to labour and human rights, working conditions and business ethics may arise. Potential irregularities in the supply chain can cause reputational and contractual risks, affect security of supply and have financial implications for business continuity. Identifying, managing and mitigating these risks is an integral part of our ongoing sustainability work.

Supplier cooperation focuses on the long-term development of sustainability, transparency and compliance with internationally recognised sustainability principles. Risk management is supported through ethical supplier guidance, supplier assessment and monitoring practices, and internationally recognised standards and operating models.

Suppliers are required to commit to the principles of Mastermark's Code of Conduct, which sets out requirements relating to working conditions, human rights, environmental responsibility and business ethics.

Suppliers operating in high-risk countries are additionally required to undergo an amfori BSCI audit or another equivalent independent sustainability audit. Audits and monitoring help ensure that responsible business practices and international labour and human rights principles are followed throughout the supply chain. Supply chain sustainability is continuously developed in cooperation with suppliers and other stakeholders.

SUPPLIER SELECTION AND ASSESSMENT

Mastermark is committed to responsible and transparent procurement. Supplier selection takes into account not only price, quality and reliability of delivery, but also environmental and social responsibility, ethical business practices and transparency throughout the supply chain. Mastermark requires all suppliers to comply with applicable laws and regulations and to commit to Mastermark's ethical guidelines and anti-corruption and anti-bribery policy.

The assessment of new suppliers is based on criteria defined by Mastermark. Before a supplier can be added to the purchasing list, the company's financial stability, operational quality and delivery capability, environmental responsibility practices, working conditions and human rights compliance, ethical business practices and potential supply chain risks are assessed. Mastermark uses its own supplier assessment form for new suppliers. As part of the assessment, suppliers are requested to provide documentation, such as ISO certificates and sustainability reports, as well as a signed commitment to comply with Mastermark's ethical guidelines. Suppliers are classified according to risk level (low, medium, high), taking into account the criticality of the procurement to Mastermark's business, purchasing volume, the supplier's geographical location and sustainability risks associated with the industry. If a supplier is classified as high risk, the supplier is required to provide additional information or undergo a third-party audit.

The sustainability and performance of all Mastermark suppliers are regularly monitored based on security of supply, compliance with sustainability requirements, deviations and complaints. If a supplier fails to meet the specified requirements, the supplier is notified of the deviation, a corrective action plan is prepared and implementation is monitored. In the event of serious or recurring non-compliance, cooperation may be suspended or terminated altogether.

Ethics and prevention of bribery

Mastermark is committed to conducting its business honestly and responsibly. Good business practices are followed in all operations. Mastermark does not accept any form of corruption, bribery, abuse of power, money laundering or other unethical conduct. The ethical guidelines apply to employees, management, subcontractors, suppliers and other business partners. All business decisions must be based on documented criteria. Mastermark requires its suppliers to comply with Mastermark's Code of Conduct and Anti-Corruption Policy. Both documents describe the consequences of potential non-compliance.

Mastermark has zero tolerance for bribery and corruption. Offering, promising, giving or accepting bribes, offering improper benefits to influence business decisions, or indirect bribery through third parties is prohibited. All personal gifts and benefits must be avoided in situations where a personal interest may conflict with the interests of the company (conflict of interest). Any conflicts of interest must be reported immediately to a supervisor or management.

GOVERNANCE PRINCIPLES, MONITORING AND METRICS

Mastermark monitors the implementation of its procurement policy to ensure responsible, transparent and efficient procurement. Monitoring is used to assess supplier selection, supply chain responsibility and progress towards the targets set. Progress towards the targets is monitored annually. Procurement is monitored at both supplier and product complaint levels. Supplier responsibility is assessed using defined indicators. The number of product complaints is monitored and compared between products in the collection and products outside the collection. This comparison helps identify areas for improvement related to quality and the supply chain.

Based on observations made through monitoring and the defined indicators, corrective actions are taken where necessary. The aim is to develop procurement processes, improve supply chain responsibility and ensure that all procurement supports Mastermark's strategy and sustainability objectives.

Indicator	Target	2023	2024	2025
% of suppliers in risk countries that have undergone a thid-party audit (e.g. amfori BSCI, Sedex)	100 % of active suppliers in risk countries audited by a third party by 2030	68,25 %	68,66 %	69,12 %
% of suppliers that have signed Mastermark's Code of Conduct	100 % of suppliers committed to Mastermark's Code of Conduct by 2030	12 %	13 %	100 %
% of suppliers in risk countries that have undergone Mastermark's risk assessment	80 % of suppliers in risk countries assessd and documented by 2030	48,57 %	58,33 %	82,61 %

ANTI-CORRUPTION

Mastermark is committed to operating ethically, transparently and responsibly. Mastermark's anti-corruption policy guides the prevention of corruption across all business areas and applies to all employees, suppliers and business partners.

Management of Gift and Hospitality

Mastermark takes a strict approach to preventing corruption and always operates openly and ethically. However, absolute zero tolerance does not apply to all gifts or customer events, but rather to prohibited gifts and other forms of inappropriate influence, which are distinguished from normal and customary business hospitality.

It is recognised that certain stakeholders, such as public authorities or organisations in the public sector, do not accept gifts. For this reason, before giving a gift or other benefit, it must always be ensured that it is reasonable, open and appropriate for the business purpose and complies with applicable legislation, the company's values and the recipient's policies.

As a general guideline, the value of an individual gift or benefit should not normally exceed €150. Gifts worth up to €100, hospitality worth up to €150, and minor situations exceeding these limits are subject to specific approval procedures.

If there is any uncertainty regarding the acceptability of a gift or benefit, the matter must always be discussed with a supervisor or management before accepting or giving it.

Conflicts of Interest

Employees must identify and disclose any potential conflicts of interest that could affect decision-making. Conflicts of interest must be reported to a supervisor or the responsible person without delay.

Whistleblowing Channel

Mastermark provides a confidential channel for reporting suspected misconduct. Reports can be submitted anonymously at mastermark.ilmoituskanava.fi. The identity of the person making the report is protected confidentially, and reports are handled promptly and appropriately. No cases were reported in 2025.

Training and Awareness

All Mastermark employees receive annual training on identifying and preventing corruption. The anti-corruption policy is also included in the onboarding of new employees and internal communications.

Monitoring and Control

Implementation of the policy is monitored using KPIs, including reports received through the whistleblowing channel, training participation rates, internal audits of policy compliance and annual assessments. The results are documented as part of sustainability reporting and the EcoVadis assessment. No cases were reported in 2025.

Continuous Improvement

The policy is updated at least annually in response to changes in corruption risks or the operating environment. Feedback from employees and stakeholders is taken into account in its development.

MASTERMARK

Kiwa Sertifiointi Oy has assessed and verified this VSME repost on 5 May 2026. Reporting period 1.1.-31.12.2025. For enquiries regarding this repor, please contact: Direct of Administration Heli Ahonen, heli.ahonen@mastermark.fi