

Environmental, Social, and Governance
(ESG) performance

Merzell Corporate Sustainability Report 2024



Merzell GHG Assessment Certification 2024

greenly

Greenhouse Gas Emissions 2024

GHG METHODOLOGY

Awarded to

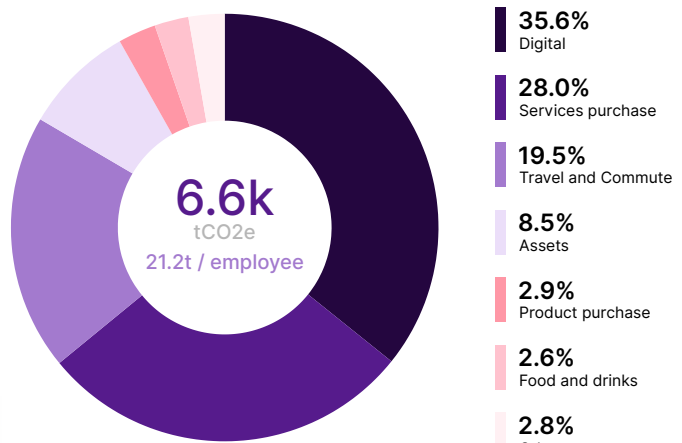


MERCELL

A great deal easier




Alexis Normand
CEO and Co-Founder



Comparison



3.8k

Number of London / New York round trips



600.3

Hectares of forest storing carbon during 1 year

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1 Introduction and Overview

1.1 About Mercell: Our business and services

Mercell is the largest and preferred public SaaS e-tendering and bidding platform for European buyers and suppliers. Every public business tender has a buyer and a supplier venturing into a partnership.

Mercell makes the journey easy and compliant for both, focusing on providing the European market with digital tendering and bidding solutions to public-sector organisations and suppliers. Our key customer groups and markets include:

-  **Public-Sector Buyers (Mercell Tendering)**
Public authorities, municipalities, government institutions, and agencies use our tendering solutions to streamline procurement processes and achieve transparency and compliance.
-  **Suppliers and Businesses (Mercell Bidding)**
Companies and suppliers across various industries use our platform to efficiently identify opportunities, participate in tenders, and engage effectively with public-sector customers.

Mercell's solutions secure a fully digital tender process in compliance with the EU directives and national requirements. It provides the public buyers with workstream support for the entire pre-award value chain (source to contract) from identification of purchasing needs, the publishing and execution of the tender competition process, and finally the award of the contract and contract management. Suppliers in all industries are offered tailored search profiles in the system, enabling notifications of relevant business opportunities, analytical services, and value-added data. The Mercell platform functions as a marketplace where buyers interact with relevant suppliers for their purchasing needs in an efficient and transparent tendering process.

+ 5,000 Public entities using Mercell to manage and source tenders	+ 400,000 Active suppliers	+ €200 B Europe's largest coverage of public business opportunities
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Mercell, at its core, offers eProcurement services that positively impact the environment, with a primary focus on process digitalisation in the procurement cycle by reducing the consumption of material resources in the procurement process, where everything is digital. Using our digital platform allows the total dematerialisation of the process, annuls the tenders, imposes paper consumption, and limits archiving costs. In addition, remote collaboration eliminates the need for physical travel, reducing pollution.

With our new product strategy focused on developing a single common platform for buyers and suppliers, Mercell is ready to further improve the procurement landscape from a sustainability perspective. By harmonising and streamlining processes across markets, we minimise resource consumption and waste generation while enhancing efficiency and reducing operational costs.

Mercell Group headquarters are in Oslo, Norway. All assets, operations, and all employees in Mercell Group are working in several companies established in the European Union (“EU”), the European Economic Area (“EEA”), or in the United Kingdom (“UK”). Day-to-day business and operations in Mercell Group are entirely conducted in Europe and in compliance with EU/EEA/UK legislation and local European laws and regulations. All hosting and processing of customer data is performed in Europe under the principles laid down in GDPR.



Mercell Group has ISO 9001, ISO 14001, and ISO 27001 certifications at the Group level and has started adapting its reporting according to the European ESRS framework. Further progress is being made to achieve ISO 27701 and third-party assurance reporting SOC2 in 2025.



1.2 Mercell’s voluntary CSR reporting for 2024

Mercell Group is not yet in scope for the Directive (EU) 2022/2464 (CSRD) for the financial year 2024, so this year we report voluntarily towards CSRD compliance for the first time. This also means that this CSR Report is not entirely CSRD compliant as it does not include a full digital XBRL-tagged version, it is not included in the management Annual Report, it is not published at the same time as the Group’s Annual Financial Statements, and a statutory auditor has not externally audited it.

This 2024 CSR Report (including the Consolidated Mercell Group Financial Statements in section 1.3) and the 2024 GHG Emissions Report will be freely and publicly available at trust.mercell.com.



1.3 Key Developments and Financial Performance for 2024

Key Developments in 2024

Merzell has transformed significantly over the past year, and we approach upcoming opportunities with energy and optimism. Our organisation is focused on continuous optimisation and improvements in all areas of our operations.

Following a string of acquisitions over the past couple of years, Merzell Group currently operates and maintains various platforms for both buyers and suppliers in the tender and pre-award market.

In 2024, Merzell proudly announced the launch of our next-generation *Merzell Tendering* platform, designed to enhance the procurement landscape for both small and large public buyers across Europe. The Group is also investing in product development to move towards a common *Merzell Bidding* platform for the suppliers in all markets. The new platform further strengthens Merzell as a marketplace with solid network effects that benefit both buyers and suppliers. It also ensures security and compliance for the whole process, with improved efficiency and usability. The suppliers' experience improved search and filtering solutions, analytical services, and other 'best-of-breed' advantages that will make it easier for suppliers to find relevant business opportunities. The scope of the supply-side offerings will expand from tender notifications to a range of workflow solutions, strengthening the value proposition and introducing new upselling products. The new platform is based on state-of-the-art modern and scalable technology, including AI functionality, resulting in highly improved time to market for new features and increased analytics possibilities by utilising combined buyer and seller data.

The development of Merzell's platform progressed considerably during 2024. Customers from some legacy platforms have been upgraded to the new Merzell Tendering and Bidding platform. We have also officially entered the German market and established a dedicated sales and support team in Germany. In 2025, a significant portion of our customer base will transition to our new platform.

We look forward to upgrading more customers and users and will do our utmost to ensure the success of this critical transformation.

In August 2024, Merzell Group divested its solutions and activities in the post-award (procure-to-pay) market to Danish investors.

Activities related to the new Merzell Bidding and Tendering platform constitute the Merzell Group's Research and Development activities. Merzell Group is still in a turnaround process with many improvement initiatives. Several of these initiatives do not fulfil the requirements for capitalisation, are expensed, and thereby temporarily negatively impact the earnings.

Revenue

Mercell reported revenues of EUR 84.7 million for the 12 months ending 31 December 2024 (compared to EUR 115.2 million for the 17 months in 2023) and EBITDA of EUR 20.5 million (compared to EUR 0.5 million for the 17 months in 2023).

Software-as-a-Service fees account for 98% of Merzell's revenue, with the remainder based on transactions or other non-recurring revenues. Merzell Group is the market leader in Sweden, Norway, Denmark, Finland, and the Netherlands. The Nordics accounted for 84 % of revenue for the period, with Sweden at 33 % (2023: 34 %), Norway at 21 % (2023: 19 %), Denmark at 16 % (2023: 18 %), and Finland at 14 % (2023: 13 %). The Netherlands accounted for 11 % (2023: 11 %), and other markets, primarily the three Baltic countries and the UK, for 5 % (2023: 5 %) of revenue.

Results

During 2024, Merzell booked extraordinary costs related to research and development, external consultants, and other consolidation costs associated with upgrading and transferring customers and customer data from current platforms to the new Merzell Bidding and Tendering platform. In combination, this has led to a negative operating result.

The financial statements of Merzell Group have been prepared under a going concern assumption, and the Group's liquidity position, solidity, and ongoing cash flow from operations support the assessment that this assumption is realistic. Looking ahead to 2025, Merzell anticipates continued growth driven by the new platform rollout and strategic expansion in key markets.

Consolidated Financial Statements
Merrell Group
Consolidated statement of comprehensive income

EUR thousand	01.01.2024 -31.12.2024	11.07.2022 -31.12.2023 Restated
Revenues	84 717	115 138
Other operating income	2	39
Total operating revenue	84 720	115 177
Hosting expense	- 6 769	- 4 787
Salary and personnel expenses	- 32 112	- 54 706
Other operating expenses	- 24 695	- 53 562
Mergers and acquisitions expenses	- 673	- 1 665
Total operating expenses before depreciation and amortisation	- 64 250	- 114 720
EBITDA	20 470	457
Depreciation and amortisation	- 38 231	- 56 645
Loss On Sale of Assets	- 40 882	-
Operating profit or loss	-58 643	-56 645
Financial income	2 723	7 727
Financial expense	- 17 765	- 40 876
Net finance costs	-15 042	-33 149
Loss before tax	-73 685	-89 337
Tax income	5 488	6 294
Loss for the period	-68 197	-83 044
Other comprehensive income		
<i>Items which may subsequently be reclassified to profit or loss:</i>		
Translation differences in subsidiaries	-4 938	-6 256
Other comprehensive income or loss for the period	-4 938	-6 256
Total comprehensive income or loss for the period	-73 134	-89 300
Net loss for the year attributable to:	-68 197	-83 044
Equity holders of the parent company		
Total comprehensive income attributable to:	-73 134	-89 300
Equity holders of the parent company		

Consolidated statement of financial position

EUR thousand	31.12.2024	31.12.2023 Restated
Deferred tax assets	170	461
Goodwill	222 506	252 746
Intangible assets	194 089	242 899
Right-to-use assets	3 222	5 084
Property, plant & equipment	329	698
Contract costs	4 452	3 770
Other non-current receivables	461	487
Total non-current assets	425 229	506 145
Trade and other receivables	26 942	27 960
Other current assets	5 387	4 454
Cash and cash equivalents	5 993	22 234
Tax asset	1 786	0
Total non-current assets	40 108	54 648
Total assets	465 337	560 794

EUR thousand	31.12.2024	31.12.2023 Restated
Share capital	0	0
Share premium	355 979	353 488
Other equity	-162 435	-89 300
Total equity	193 544	264 188
Loans and borrowings	166 857	175 320
Lease liabilities	2 223	3 772
Deferred tax liabilities	29 140	39 731
Other non-current liabilities	4 018	6 176
Total non-current liabilities	202 238	224 999
Loans and borrowings	4 734	4 700
Lease liabilities	1 490	1 708
Trade and other payables	7 678	3 757
Contract liabilities	43 095	42 195
Other current liabilities	12 556	17 524
Current tax liabilities	0	1 722
Total current liabilities	69 554	71 606
Total liabilities	271 792	296 606
Total equity and liabilities	465 337	560 794

2 Integrating sustainability into Mercell



2.1 Sustainability reporting introduction

The world faces considerable challenges, including reaching net-zero greenhouse gas emissions by 2050 and developing a global society aligned with the UN sustainability goals. Everyone has a role and must contribute by building on their relative strengths.

Mercell Group's main contribution is our core business of providing EU and national law-compliant e-procurement software and services that contribute to sustainable growth and enable transparency and fair competition among our users. The EU Green Deal and national guidelines for a circular economy highlight the importance of public procurement in driving sustainable development. Mercell's services enable a comprehensive approach to modernising public procurement, delivering tangible sustainability, transparency, fairness, and efficiency benefits.

This CSR report provides an overview of Mercell's material topics related to the environment, people, and economy and how our governance processes are structured to handle impacts and risks. We have started the process of reporting according to internationally renowned ESG standards.

Thoma Bravo has been instrumental in helping Mercell grow and expand our presence into new markets. With their expertise, Mercell can develop new services for our customers and strengthen our relationships with current customers to ensure they receive the best products and services available. Thoma Bravo has also provided us with resources, enabling us to expand our reach and create more innovative opportunities to grow our services. Mercell participates in the global ESG community within Thoma Bravo. With this partnership's help, Mercell continues to provide high-quality services and solutions that are revolutionising the industry.

Regulation developments, the introduction of CSRD, the Omnibus project, and the "stop the clock" Directive are continuously monitored. The reporting for the financial year 2024 is adapted to the CSRD but not audited as such.

CSRD has formed new regulations requiring companies to disclose information concerning their environmental, social, and governance (ESG) performance in a framework comprising 10 ESRS topical standards and two general standards. Considering its nature, the framework aims to enhance transparency regarding a company's impact on the relevant topics. The topic includes reporting requirements related to the environment, employee and community conditions, and business conduct.

Category	Standard Code	Standard Name
Cross-cutting	ERS 1 ERS 2	General Requirements General Disclosures
Environmental	ESRS E1 ESRS E2 ESRS E3 ESRS E4 ESRS E5	Climate Change Pollution Water and Marine Resources Biodiversity and Ecosystems Resource Use and Circular Economy
Social	ESRS S1 ESRS S2 ESRS S3 ESRS S4	Own Workforce Workers in the Value Chain Affected Communities Consumers and End-users
Governance	ESRS G1	Business Conduct

Reporting aligned with CSRD requirements provides stakeholders with a clear understanding of sustainability efforts, progress, and ambitions under the relevant topical sustainability areas. For Merzell, CSRD will most likely become effective from the financial year 2027, and in this report, we have partially pre-implemented the prescribed CSRD requirements for the financial year 2024. Our implementation process began with a gap assessment of our current data. Moving on, we have assessed Merzell's business model, value chain, stakeholders, and reporting methods regarding CSRD requirements. We conducted a Double Materiality Assessment ("**DMA**") to identify relevant sustainability topics, and we expect to further develop this before reporting on the financial year 2025. We will also consider further adaptations to the EFRAG Voluntary Sustainability Reporting Standard for non-listed medium-sized undertakings (VSME).

In this CSR report, we have incorporated some expected requirements in these regulatory frameworks, such as the assessment of double materiality and reporting of KPIs. This report also considers the fundamental human rights and decent working conditions, per the Norwegian Act on business transparency and work with fundamental human rights and decent working conditions ("åpenhetsloven"), which entered into force in 2022. Since Merzell is no longer a listed company with listed financial instruments and operates in a non-prioritised sector, the Sustainable Finance Disclosure Regulation (SFDR) referred to in the previous ESG report is no longer applicable. This excludes Merzell from mandatory reporting and alignment under the initial phases of the EU Taxonomy.

As Merzell is entitled to submit our annual accounts and annual reports in English, this report is prepared in an English language version only.

Sustainability Takes Centre Stage in Public Procurement

Public procurement is becoming a powerful force in the fight against climate change. By choosing climate-friendly products and services, governments are leading the way in pushing us toward a greener, more sustainable future. This shift, known as sustainable public procurement, shows just how much power public entities have to make a real difference, driving innovation and encouraging industries to go green.

The integration of climate requirements into public procurement practices has gained significant momentum. Public organisations are now making climate-conscious decisions – choosing energy-efficient products, low-carbon technologies, and working with suppliers that care about the environment. These actions are creating ripples across industries, speeding up the adoption of cleaner technologies and helping build a more sustainable world.

Balancing the initial costs with the long-term savings can be tricky, and figuring out which products are truly the most eco-friendly isn't always simple. But despite these challenges, many countries are showing that it can be done. They've created green public procurement systems that are making a real impact, proving that governments can align their buying power with their environmental goals.

As more policymakers realise that innovative procurement can boost economic growth while tackling the climate crisis, we can expect climate considerations in public procurement to grow even stronger. It's clear that public procurement isn't just about buying things anymore—it's about shaping a greener, better world for everyone.

A recent analysis by the Norwegian Agency for Public and Financial Management (DFØ) highlights how these climate and environmental factors shape public procurement in Norway from 2023 to 2024. It's a deep dive into how governments are successfully adopting sustainable practices and overcoming the hurdles along the way.

Norway is experiencing a clear shift towards prioritising climate and environmental factors in public procurement. A [recent analysis by DFØ](#) (Norwegian Agency for Public and Financial Management) reveals that public entities are increasingly incorporating sustainability into their purchasing decisions, with a notable rise in environmentally weighted procurements from 2023 to 2024. In 2024, 75 % of Norwegian procurements included an environmental weighting of 30 %, a significant increase from 2023, when only 50 % had an environmental focus or specific requirements. This trend highlights the growing commitment to sustainability across the public sector.



2.2 General sustainability disclosures

The scope of consolidation for this sustainability report is the same as the scope used in the consolidated financial statements of Mercell Group. This ensures consistency and comparability across both economic and sustainability disclosures. All entities included in Mercell Group's consolidated financial statements have been fully considered in this sustainability report, per the requirements of Article 48i of Directive 2013/34/EU. By aligning the reporting boundaries, we ensure stakeholders receive a comprehensive and accurate view of Mercell's environmental, social, and governance (ESG) impacts, risks, and opportunities. The sustainability statement covers the value chain of Mercell Group and concerns impacts, risks, and opportunities in the central parts of our upstream and downstream value chain.

To prepare for the CSRD, we have aligned our ESG KPI reporting with the applicable definitions and requirements of the European Sustainability Reporting Standards (ESRS).

The financial effects of our efforts in 2024 are deemed limited. The transition to prepare for CSRD and initiate actions aligned with our material topics is in the initial phase. Organisationally, we have embedded the sustainability reporting and strategy responsibility into the Group Legal and Compliance function with close cooperation with the CFO and the finance team.

This sustainability statement also supports our annual Communication on Progress to the UN Global Compact for the financial year 2024, from 1 January to 31 December 2024. It describes Mercell Group's 2024 sustainability initiatives and key figures. It is an add-on to Mercell Group's Annual Report 2024 and constitutes disclosures stemming from our account of social responsibility.



2.3 Our Environmental, Social, and Governance policies and commitments

Mercell believes that environmental, social, and governance ("ESG") play an essential role in the success of our business, from both an opportunity and a risk-mitigation perspective. Therefore, Mercell Group assesses, addresses, and monitors our impact on the environment and our relationships with employees, suppliers, and customers. Mercell has adopted an ESG Policy that applies to how we evaluate and engage with all aspects of operations, including our employees, suppliers, and contractors.

Mercell Group promotes employee engagement and wellness. In connection with this, Mercell supports initiatives conducive to maintaining a positive and productive workforce, provides training and resources to ensure employees reach their potential, and provides several benefits to cover employee time off, health care, parental leave, retirement savings, disability insurance, and other benefit needs. We also periodically review and update our benefits offering as necessary.

We view the health and safety of all our employees as a fundamental value. We always protect the health and safety of those affected by our activities, including our employees, contractors, customers, and users.

We seek to create a secure environment that protects our customers' privacy and to comply with applicable laws and regulations.

Mercell Group seeks to manage environmental risks to our business and prioritise sustainable business practices and opportunities where practicable, including risks, practices, and opportunities relating to climate change. We also promote the efficient use and management of resources and biodiversity.

As clearly stated in our Supplier Code of Conduct, we shall always avoid involvement in human and labour rights violations and promote human rights due diligence among our suppliers to help mitigate these risks in our supply chain. We condemn any use of forced labour or violence against workers, child labour, discrimination, and harassment.

The successful business operation and reputation of Merzell Group are built upon principles of fair dealing and ethical conduct. Merzell and our policies promote compliance with all applicable governmental laws and regulations. We always aim for the highest ethical standards in the conduct of our business; therefore, the integrity of each employee, manager, and director is of great importance. In connection with this, Merzell Group has developed a Code of Business Conduct and Ethics, which encourages reporting and investigating violations of the Code.



2.4 Embedding sustainability into our Business Strategy

Mercell operates as a Business-to-Government ("B2G") and Business-to-Business ("B2B") Software-as-a-Service ("SaaS") company specialising in e-procurement solutions for governmental and public sector institutions. Our business model enhances public procurement processes' transparency, efficiency, and compliance. With our digital solutions, we contribute to sustainable procurement by reducing paperwork, increasing operational efficiency, and ensuring compliance with relevant regulations. We help ensure ethical supply chains by enabling governments to make informed and responsible purchasing decisions, promoting both fair competition and supplier diversity. Additionally, our cloud-based Software-as-a-Service (SaaS) model offers a more sustainable alternative to traditional on-premise IT solutions, significantly minimising the need for physical infrastructure and reducing our overall carbon footprint.

Sustainability trends are significantly impacting Merzell's business model. Increasing EU and national regulatory requirements increase the general demand for efficient e-procurement solutions that are compliant with environmental, social, and governance (ESG) standards. At the same time, we are experiencing a significant increase in customers who require ESG information and transparency from us as a supplier. For Merzell, this

underlines the importance of extended and compliant sustainability reporting to demonstrate our fair and sound business practices.



2.5 Contributing to Sustainable Development

Mercell's systems and services are designed to assist procurement processes in becoming catalysts for sustainable development. At the heart of our offerings lie eProcurement services, which streamline and digitise the procurement cycle and reduce the environmental footprint for our customers and users.

With our new product strategy focused on developing a single platform for buyers and suppliers, Mercell is ready to revolutionise the procurement landscape from a sustainability perspective. By harmonising and streamlining processes across the European markets, we enhance efficiency and reduce operational costs for our customers and users. Transitioning into one unified platform simplifies and standardises procurement processes and drives significant environmental and operational benefits for Mercell and our customers.

Our digital e-procurement platform transforms traditional procurement processes by replacing physical and printed tender submissions with a fully electronic process. This transition significantly reduces the use of paper and the carbon emissions linked to its production and disposal.

In addition, by supporting seamless remote collaboration between buyers and suppliers, the platform lowers the need for business travel. This cuts greenhouse gas emissions and air pollution and improves operational efficiency. The platform supports broader sustainability goals by encouraging virtual interactions and promoting eco-friendly mobility alternatives.

Mercell's commitment to sustainability is included in every aspect of our business, from product development to operational practices. As we continue to innovate and evolve, we remain steadfast in our mission to empower organisations to improve their sustainability goals while driving positive environmental and social impact at scale.



2.6 Stakeholder engagement and transparency practices

Mercell values stakeholder feedback and provides several channels for one-to-one communication. Customers can provide feedback through dedicated customer success managers, surveys, support portals, customer communities, and online training and marketing sessions. Internally, we involve employees through sustainability training programs and opportunities to participate actively in ESG initiatives, and employees can raise concerns through internal meetings, internal communications tools, and our whistleblower hotline. We provide transparent sustainability reports for customers and

public institutions and continuously enhance our products with ESG-related features. In our interactions with investors and regulators, we ensure that our disclosures align with CSRD and established ESG reporting frameworks. We actively review and respond to this feedback, using it to refine our sustainability strategy and improve operational practices.

Merzell has assessed our products, services, markets, and customer groups' sustainability goals. We consider how our key offerings—Merzell Tendering and Bidding platforms—support sustainability by digitising public procurement, reducing environmental impacts, and helping customers integrate sustainability criteria into procurement processes.

Our assessment also included the relevance of sustainability expectations in key geographical markets, ensuring alignment with stakeholder and regulatory expectations across Europe.

This practical and holistic evaluation reflects our SaaS business model and current maturity level in sustainability reporting.

Merzell emphasises the importance of incorporating CSRD compliance into procurement activities. In order to prepare our customers for EU Sustainability Compliance, Merzell in 2024 issued the white paper [Your Guide to EU Sustainability Compliance in Public Tendering](#) as a strategic tool created to position Merzell as a trusted partner in public buyers' journey toward compliance and sustainability. The white paper discusses strategies for compliance in public tendering, and by leveraging the white paper as a resource and conversation starter, our customers have been able to navigate EU sustainability regulations confidently.





2.7 Reporting framework and standards

After conducting a comprehensive reassessment of our materiality analysis as outlined in the 2022 and 2023 ESG reports, Mercell has determined to update this sustainability report following the Corporate Sustainability Reporting Directive ("**CSRD**") and aligns with the European Sustainability Reporting Standards ("**ESRS**"). Mercell follows the principles outlined in ESRS 1 and ESRS 2, ensuring compliance with the mandatory disclosure requirements.

The report covers the entire scope of Mercell's operations, including our activities across Denmark, Estonia, Finland, Germany, Latvia, Lithuania, the Netherlands, Norway, Sweden, and the United Kingdom. It includes relevant information from our operations and key value chain elements, specifically focusing on areas where Mercell has significant sustainability impacts, risks, or opportunities.

Our focus remains on accurately representing Mercell's actual and potential positive and negative impacts on people, society, the environment, and the economy. We continue identifying sustainability topics that present material risks and opportunities inherent to our business model and financial trajectory.



2.8 Report scope and boundaries

The report applies to Mercell Group's global operations, covering all business units, subsidiaries, and controlled entities.

Sustainability information is presented based on the double materiality principle, reflecting both impact materiality (our influence on people and the environment) and financial materiality (how sustainability-related factors affect our financial performance).

The reporting period corresponds to Mercell's financial year from 1 January 2024 to 31 December 2024.

3 Conducting Mercell's Double Materiality Analysis



3.1 Methodology for identifying and assessing material Impacts, Risks, and Opportunities (IRO)

At Mercell, we recognise that managing sustainability effectively requires a deep understanding of how our business activities impact people and the environment (impact materiality) and how sustainability trends and challenges influence our business performance (financial materiality). Our approach to sustainability impact, risk, and opportunity management is grounded in the principle of double materiality and is an integral part of our enterprise risk management framework.

Our double materiality assessment ("DMA") has followed the structured, evidence-based methodology required in the ESRS guidelines. We have identified potential sustainability risks and opportunities by evaluating our operations, product offerings, and value chain in light of regulatory developments, industry benchmarks, and ESG best practices. Particular attention has been paid to areas such as climate-related risks, the sustainability of digital infrastructure, human rights, and ethical standards in public procurement.

To determine which topics are most relevant, we have assessed each issue based on its scale, scope, likelihood, and the level of stakeholder concern. The outcomes of this analysis have been synthesised into a Double Materiality Matrix, which helps us visualise and prioritise key ESG issues according to their significance from both an impact and financial perspective.



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

3.2.1 Methodologies and assumptions used to identify material impacts

For the DMA, Mercell Group used a methodology developed by Greenly.earth tool to identify material sustainability-related impacts in alignment with CSRD/ESRS requirements. The key methods and assumptions applied included a double materiality approach, which considers impact materiality (how Mercell Group affects people and the environment) and financial materiality (how sustainability matters affect our financial position and performance).

In addition to formal surveys, internal expert input was gathered directly from relevant departments such as Compliance, Legal, HR, Finance, and Operations to assess material sustainability topics based on their professional expertise. Sustainability topics were then evaluated through risk and opportunity screening, using criteria such as severity, likelihood, and timeframe to ensure a structured prioritisation process.

The methodology also incorporated regulatory and industry alignment by integrating CSRD/ESRS requirements, EU sustainability regulations and sector-specific ESG considerations to ensure compliance and relevance.

3.2.2 Methodologies and assumptions used to identify material risks and opportunities

During our DMA, we systematically identified and evaluated material sustainability-related risks and opportunities by applying the defined and expected methodologies and assumptions. Mercell has employed a structured evaluation approach to screen risks and opportunities, rating each based on severity, likelihood, and timeframe. This process was aligned with best practices recommended by Greenly's DMA tool. Our assessment also relied on cross-functional expertise, using the knowledge of various internal departments to ensure the accurate identification of ESG topics relevant to Mercell's SaaS operations.

Risks and opportunities were reviewed within regulatory developments such as CSRD, ESRS, GDPR, and SaaS industry benchmarks. This ensured that the outcomes accurately reflected both internal priorities and external expectations. The assessment also considered value chain dynamics, focusing on sustainability risks and opportunities tied to Mercell's relationships with suppliers (including cloud service providers like AWS), customers, and users of the Mercell Tender Platform (MTP).

Topics were classified as material based on whether they had the potential to significantly impact Mercell financially or if our operations were determined to have substantial effects on stakeholders, society, or the environment.

3.2.3 Description of how materiality assessment focuses on factors that increase the risk of adverse impacts

In our DMA, we focused on identifying adverse sustainability impacts related to our SaaS business model in Europe, where we operate. The assessment considered the nature of our business activities, particularly concerning data privacy, IT security, ethical use of AI, and the digital carbon footprint associated with cloud-based operations.

We also evaluated business relationships, examining third-party IT service providers, cloud hosting partners, and supply chain risks to ensure responsible sourcing practices and alignment with ESG standards. Given Mercell Group's presence in several European markets, the assessment prioritised adherence to EU sustainability regulations, including GDPR, CSRD, and emerging AI and cybersecurity frameworks.

In addition, the analysis integrated regulatory and stakeholder expectations by addressing ESG risks linked to procurement transparency, fair competition, and the digital transformation of public sector services, ensuring that the DMA aligned with stakeholder priorities and regulatory developments.

3.2.4 Description of how the process considers impacts in its own operations and value chain

Mercell's DMA evaluated sustainability impacts across our operations and value chain to ensure a comprehensive assessment of risks and opportunities.

Our assessment focused on Mercell Group's direct environmental and social impacts within our operations. Key areas included data security and privacy, which are central responsibilities in our SaaS operations. It also considers energy consumption, the digital carbon footprint generated by cloud-based services, employee well-being, diversity, and ethical business practices across the organisation.

Regarding the value chain, our DMA assessed sustainability impacts linked to Mercell Group's external business relationships. On the upstream side, this includes ESG risks associated with third-party IT service providers, cloud hosting partners, and software suppliers. On the downstream side, it considers indirect impacts related to public sector procurement activities.

3.2.5 Description of how the materiality assessment included consultations with stakeholders and external experts

Mercell Group's DMA was primarily conducted internally, using the expertise of key departments (Compliance, Legal, HR, Finance, and Operations) to assess sustainability-related impacts, risks, and opportunities.

Given Mercell Group's SaaS business model and relatively limited carbon footprint, extensive external stakeholder engagement was not deemed necessary for this initial assessment. However, internal stakeholder input was gathered from relevant teams to ensure alignment with business operations and regulatory requirements, and regulatory and industry standards (e.g., CSRD, ESRS, GDPR) were referenced to ensure compliance with sustainability reporting obligations.

As Mercell Group's sustainability strategy evolves, future assessments may incorporate broader stakeholder engagement, including customers, suppliers, and industry partners, where material ESG risks and opportunities warrant further consultation.

3.2.6 Parameters used for evaluating the materiality of impacts

During our DMA, we evaluated both negative and positive impacts based on key parameters to ensure a structured and comprehensive assessment. Negative impacts were assessed by examining the severity of the impact on people, the environment, or society

(scale), the extent of stakeholders affected (scope), the difficulty of reversing or mitigating the impact (irremediability), and the probability of the effect occurring (likelihood). Positive impacts were evaluated by considering the significance of the positive effect (scale), the range of stakeholders or systems that benefit (scope), and the probability that the impact will materialise (likelihood).

3.2.7 Consideration of connections of impacts and dependencies with risks and opportunities

Mercell's DMA explicitly considered how sustainability impacts and dependencies relate to business risks and opportunities. We used internal expertise from the Compliance, Legal, HR, Finance, and Operations teams to assess these connections clearly and pragmatically. For example, our dependency on secure cloud infrastructure (AWS) directly relates to data security risks and customer trust opportunities.

3.2.8 Assessment of likelihood, magnitude, and nature of financial effects

In Mercell's DMA, we evaluated the financial effects of sustainability-related risks and opportunities by considering several key factors. Likelihood was assessed through internal discussions with relevant departments, which provided qualitative estimates of the probability that each risk or opportunity would occur. Magnitude was categorised as high, medium, or low to reflect the potential financial impact, emphasising overall significance rather than detailed quantitative analysis. We also identified the nature of the economic effects, distinguishing between direct effects such as immediate costs or revenues and indirect effects such as impacts on reputation or customer trust.

3.2.9 Prioritisation of sustainability-related risks relative to other risks

Mercell took a holistic approach to prioritising sustainability-related risks, reflecting our nature as a SaaS company with inherently lower direct environmental impacts than other sectors.

Sustainability risks identified in our DMA were considered alongside general business risks. Still, due to our business model, they typically rank lower in priority compared to operational, compliance, or financial risks. Given our limited direct carbon footprint and lower exposure to environmental hazards, our approach has primarily involved qualitative evaluation and internal discussions rather than detailed quantitative assessments.

Moving forward, we aim to integrate sustainability considerations into our overall risk management process practically and proportionately.

3.2.10 Decision-making process and related internal control procedures

We have followed a structured decision-making process in the DMA to identify and assess sustainability-related impacts, risks, and opportunities ("IROS"). Our Group Legal and Compliance team leads this process, with support from HR, Finance, and Operational teams, ensuring alignment with regulatory requirements and corporate strategy.

As mentioned, we have used the third-party sustainability management tool Greenly to conduct the DMA. The tool assisted us in collecting data and engaging stakeholders by gathering insights from internal and external sources. It then assisted in the evaluation phase, where financial and impact materiality were assessed across the entire value chain. Based on the significance of identified issues, we have been able to prioritise key focus areas and develop action plans. Finally, the findings have been reviewed with the Executive Leadership team (“**ELT**”) to ensure validation and strategic integration into our broader objectives.

3.2.11 Integration between materiality assessment and the overall risk management system

Mercell Group is in the initial phase of integrating sustainability-related IROs into our overall risk management framework. This approach is aligned with enterprise risk management (ERM) principles, ensuring that environmental, social, and governance (ESG) factors are gradually incorporated alongside financial and operational risks.

As part of this process, a DMA has been conducted to identify material ESG risks and opportunities. The findings from the DMA will be progressively aligned with existing risk registers and reviewed by the Compliance, Finance, and Operational teams to ensure consistency and relevance. ESG-related risks are also being discussed at the executive level, with the long-term goal of embedding these considerations into risk mitigation strategies and strategic planning efforts.

Although full integration is still underway, this structured approach is designed to refine Merzell Group’s overall risk profile and ensure that sustainability considerations become integral to our risk management processes over time.

3.2.12 Integration between opportunity assessment and management processes

Mercell has adopted several policies to govern sustainability matters. These include our Code of Ethics and Business Conduct, which outlines principles related to anti-corruption, whistleblower protections, and ethical business practices. Our Environmental and Energy Policy promotes energy efficiency and encourages responsible cloud computing practices. We also have a Diversity, Equity, and Inclusion Policy that supports equal opportunities across the organisation. Additionally, our Supplier Code of Conduct ensures that our relationships with suppliers are fair, ethical, and aligned with our commitment to responsible business conduct.

Still, Merzell Group is in the early stages of systematically integrating sustainability-related opportunities into our overall management processes. Opportunities are currently identified through market analysis and stakeholder engagement, particularly about emerging trends in sustainable procurement. The DMA output also highlights potential ESG-driven business opportunities. In addition, strategic planning discussions are increasingly incorporating ESG considerations, which are beginning to influence broader business decisions and priorities.

While formal processes for opportunity evaluation and tracking are still evolving, our goal is to embed sustainability opportunities into strategic decision-making, innovation roadmaps, and performance monitoring over time. Future developments will focus on defining KPIs and integrating sustainability-driven opportunities into structured business planning.

3.2.13 Input parameters used in materiality assessment

Merrell Group conducted our DMA using an external platform tool, ensuring a structured evaluation of sustainability-related IROs. The assessment relied on several key input parameters. Internal stakeholders from Compliance, Legal, HR, Finance, and Operations contributed subject-matter expertise to identify and assess material sustainability topics. Structured qualitative surveys within the tool were used to capture ESG-related impacts, risks, and opportunities, supported by input from relevant stakeholders. Participants were provided with training and resources on the DMA methodology to ensure consistency and accuracy in their responses. The assessment also incorporated data from internal company sources, regulatory frameworks, market trends, and industry benchmarks to support a comprehensive and credible evaluation.

3.2.14 Changes to impact materiality assessment compared to the prior reporting period

For the 2024 reporting period, Merrell Group conducted our first DMA, aligning broadly with CSRD and ESRS. This marks a significant shift from our ESG reporting approach last year.

The key change in the impact materiality assessment is the transition to a structured methodology that adheres to the requirements set out under the ESRS. Merrell adopted Greenly's platform to support this process, enabling a data-driven and systematic evaluation of sustainability-related impacts, risks, and opportunities. Unlike prior reporting, which focused primarily on ESG performance indicators, this assessment incorporates impact materiality and financial materiality.

The reporting scope has expanded significantly from last year. It covers the complete value chain, including upstream and downstream sustainability impacts and internal operations. This expanded perspective ensures a more comprehensive understanding of Merrell's sustainability footprint. Input from various departments, including Compliance, Legal, HR, Finance, and Operations, was gathered to support a well-rounded and integrated evaluation of material topics.

As this is Merrell's first CSRD-aligned assessment, further refinements are expected in future reporting cycles to reflect regulatory developments and emerging best practices. In parallel, Merrell is actively rolling out a series of sustainability initiatives. These include transitioning to energy-efficient cloud providers to reduce emissions from IT infrastructure, strengthening supplier due diligence to ensure compliance with ESG regulations, and expanding employee training programs focusing on sustainability and responsible operational practices.

3.3 Interests and views of stakeholders

3.3.1 Description of stakeholder engagement

1. Board of Directors engagement

The Mercell Board of Directors serves as the Group's supervisory body, providing essential governance oversight. Engagement with the Board is well-established through formal board meetings and regular sustainability reporting.

Engaging the Board of Directors reinforces strong governance on sustainability initiatives, validates strategic ESG priorities, and ensures ongoing regulatory compliance. The Board is critical in overseeing Mercell's risk management practices and guiding sustainability governance. The Board's involvement also ensures long-term value creation through responsible and sustainable business conduct.

2. Executive Leadership Team (ELT) Engagement

The ELT at Mercell comprises senior executives responsible for guiding company-wide strategic decisions. Sustainability engagement with the top management is active and ongoing through regular leadership meetings, strategy workshops, and periodic briefings.

The primary purpose of ELT's engagement is to ensure that sustainability efforts are strategically aligned with Mercell's broader goals and board guidelines and to secure top management support and direction for ESG initiatives.

ELT's engagements are directly incorporated into Mercell's sustainability strategy, helping to create overall priorities based on executive feedback. Top management involvement with the strategic integration of sustainability and ESG within the business ensures our ability to maintain regulatory compliance and align with stakeholder expectations at all operational and governance levels.



3. Sustainability Team (Compliance) engagement

The Sustainability Team (Compliance) at Merrell is an internal function responsible for coordinating sustainability reporting and ensuring overall regulatory compliance in all our markets. Engagement with this team is consistent and structured through regular internal meetings, collaborative workshops, and direct cross-functional coordination.

The primary purpose of this engagement is to effectively plan, coordinate, and execute sustainability activities and disclosures, ensuring that ESG initiatives are delivered in line with internal and external requirements.

The outcomes of these engagements directly impact our sustainability practices, shaping reporting procedures, compliance workflows, and data accuracy. Merrell recognises that the Sustainability Team focuses on clarity, accuracy, and adherence to regulatory standards, which are critical in maintaining high-quality, compliant sustainability reporting.



4. Operational Teams' engagement

The operational teams (in departments such as product, technology, finance, and HR) provide key inputs in Merrell's sustainability reporting. All teams contribute to reporting on central KPIs such as emissions figures, financial data, workforce metrics, and other relevant indicators. Sustainability engagement with these teams is organised through internal communication channels, targeted data requests, and dedicated meetings with the sustainability team. Their engagement aims to ensure the accurate and timely collection of operational sustainability data, which is foundational to the quality of Merrell's ESG disclosures.

The outcomes of engagement with operational teams directly impact the accuracy, completeness, and reliability of our sustainability reports and compliance processes. Merrell understands that these teams prioritise clear procedures, manageable workloads, and transparent communication about how their data is used in reporting. This understanding guides how engagement is structured to support efficient collaboration and ensure high-quality data flows across departments.

3.3.2 Explanation of how the material information to be disclosed has been determined

Under ESRS 1 Section 3.2, Mercell applied the double materiality principle to identify material information on impacts, risks, and opportunities (“**IROs**”).

Material topics defined as above 60 % impact were selected based on:

- **Impact materiality:** The significance of Mercell’s actual or potential effects on people and the environment.
- **Financial materiality:** The potential of IROs to affect Mercell’s financial position, performance, or cash flows over time.

Information was disclosed if it:

- Helped explain a significant sustainability issue, or
- Supported stakeholder decision-making, especially investors and public authorities.

Thresholds were based on:

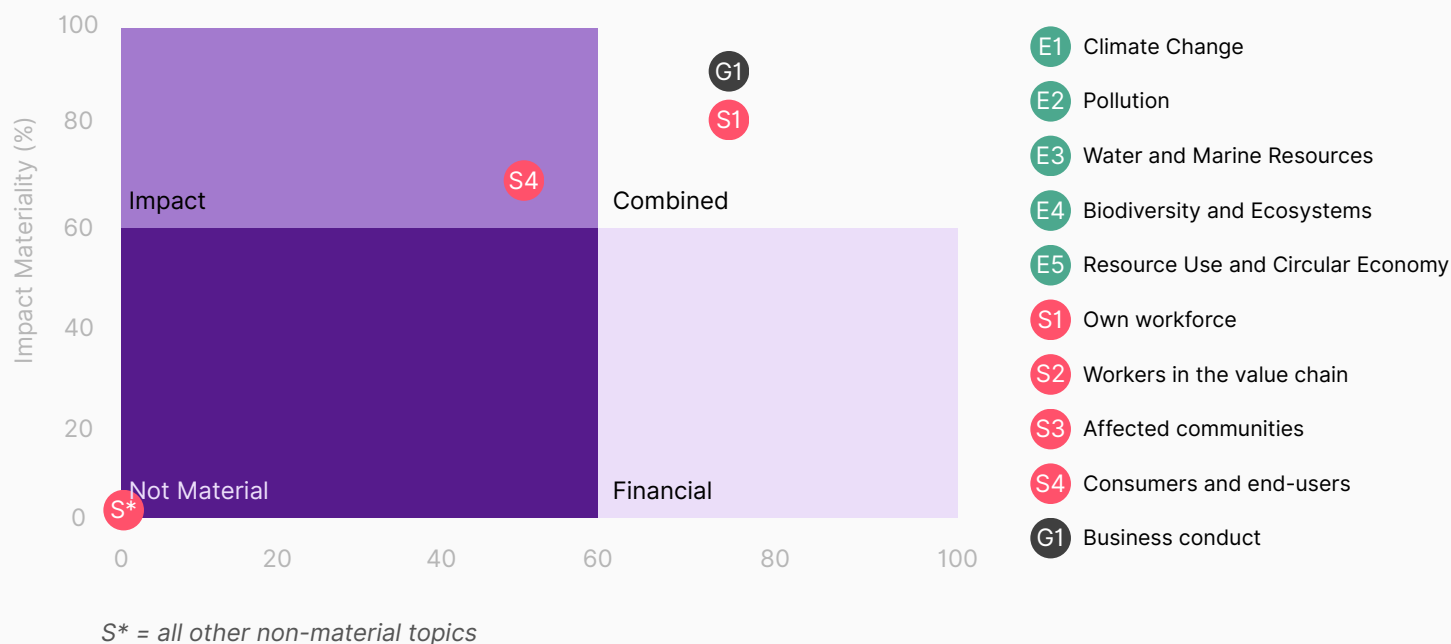
- Likelihood and scale of impact
- Regulatory relevance (e.g., CSRD, GDPR, NIS2)
- Strategic business relevance (e.g., digital platform rollout, ESG integration)

3.3.3 Description of how governance bodies are informed about the views and interests of stakeholders

Mercell’s Executive Management Team and Board of Directors receive information about stakeholder views and interests related to sustainability through periodic updates, internal discussions, and direct communication. The sustainability (compliance) team provides informal but regular briefings during leadership and management meetings, summarising key stakeholder feedback and insights. Internal stakeholders, including operational teams and the sustainability (compliance) team, share relevant perspectives during regular meetings to ensure that leadership remains informed about internal views and operational considerations. In addition, the sustainability (compliance) team communicates sustainability-related developments and stakeholder expectations directly to senior management and the board.

3.4 Double materiality conclusion per ESRS Topic

3.4.1 Materiality Matrix:



3.4.2 Key material sub-topic ESRS data conclusions:

Sub-topic	ESRS	Impact materiality score (absolute)	Financial materiality score (absolute)	Impact materiality score (relative)	Financial materiality score (relative)	Cross materiality score (sum of both relative Financial and Material scores)
Working conditions	S1	12	11.25	0.8	0.75	1.55
Equal treatment and opportunities for all	S1	10.5	11.25	0.7	0.75	1.45
Other work-related rights	S1	7.5	0	0.5	0	0.5
Information-related impacts for consumers and/or users	S4	10.5	7.5	0.7	0.5	1.2
Personal safety of consumers and/or end-users	S4	8.25	7.5	0.55	0.5	1.05
Social inclusion of consumers and/or end-users	S4	7.5	7.5	0.5	0.5	1

Sub-topic	ESRS	Impact materiality score (absolute)	Financial materiality score (absolute)	Impact materiality score (relative)	Financial materiality score (relative)	Cross materiality score (sum of both relative Financial and Material scores)
Corporate culture	G1	13.5	11.25	0.9	0.75	1.65
Protection of whistleblowers	G1	7.5	0	0.5	0	0.5
Political engagement and lobbying activities	G1	4.5	0	0.3	0	0.3
Management of relationships with suppliers, including payment practices	G1	6	0	0.4	0	0.4
Corruption and bribery	G1	3	0	0.2	0	0.2

For a detailed description of the status of relevant ESRS topics, please refer to [Appendix 1](#).



3.5 Material impacts, risks and opportunities, and their interaction with strategy and business model

3.5.1 Description of material impacts resulting from the materiality assessment

1. Digitalisation of Public Procurement:

The core of Merzell Group's material impact is the digitalisation of public procurement, which delivers environmental and operational benefits. This impact stems from shifting from traditional, paper-based, and travel-intensive procurement methods toward Merzell's digital SaaS tendering platform. The platform enables streamlined, transparent, and efficient procurement processes.

Current effects on the business model, value chain, and strategy include compliance with EU public procurement directives and local procurement legislation, enhanced operational efficiency, and increased transparency in procurement activities. Rising demand for green public procurement tools is expected to further integrate digital solutions into strategic sourcing processes across Europe, reinforcing Merzell's market relevance and value proposition.

Merzell has invested in a unified SaaS platform with AI capabilities, improved usability, and analytics tailored to buyers and suppliers. The Group's strategy is to incorporate AI throughout the various stages of the procurement lifecycle to benefit our customers and enable more efficient tendering processes.

These medium-term impact's environmental benefits are fully aligned with Mercell's core business model and strategic mission, which is enabling efficient, transparent, and compliant public e-procurement. Mercell's strategy and business model are well-equipped to manage and leverage this impact, particularly as it aligns with broader digital and green procurement trends. Compared to the previous reporting period, the importance of this impact is increasing. It is driven by continued platform consolidation and growing regulatory momentum related to digitalisation and sustainability in procurement.

This material impact is covered by both ESRS Disclosure Requirements and entity-specific disclosures in Mercell's sustainability reporting.

2. Cybersecurity and Technology Resilience:

A key material impact for Mercell Group is safeguarding all customer and internal data by ensuring strong cybersecurity and technology resilience. In all our business activities and operations, there are vital needs and expectations for secure and reliable infrastructure.

This impact safeguards sensitive procurement data, supports operational continuity, and ensures compliance with cybersecurity standards. The complexity of cyber threats is expected to increase, and upcoming regulations such as the NIS2 Directive may require even stronger risk assurance measures. Mercell has established strong procedures and obtained ISO 27001 certification to address this. We conduct regular ISAE 3000 audits and advance toward SOC2, ISO 27701, and C5 certifications in 2025. Further, we have implemented global IT support systems to standardise technology risk management across our markets.

The impact on people includes protecting sensitive procurement and personal data, ensuring user trust and security. From an environmental perspective, while the effect is indirect, maintaining secure digital systems helps support the continued use of paperless procurement, contributing to sustainability by reducing physical processes.

This impact is deeply linked to Mercell's strategy and business model. A secure and resilient digital platform is fundamental to our value proposition as a trusted technology partner for public sector buyers. Due to its immediate relevance and ongoing regulatory developments, this impact's expected time horizon is short.

Mercell is connected to this impact through our SaaS infrastructure, relationships with hosting providers, third-party vendors, and integrations on the client side. The Group's strategy and business model are well-prepared to manage and withstand this impact, with proactive risk management and audit frameworks already in place.

Compared to the previous reporting period, the significance of this impact has grown, reinforced by expanded certification goals and further consolidation of IT systems.

This material impact is addressed through ESRS Disclosure Requirements and entity-specific disclosures in Mercell's sustainability reporting.

3.5.2 Description of material risks resulting from the materiality assessment

1. Technology and Cybersecurity Risk:

In the materiality assessment, Merzell Group has identified technology and cybersecurity risk as a material risk exposure in our business. We must plan for possible unwanted and unintended system disruptions, data breaches, cyberattacks, or platform downtime caused by external threats or internal vulnerabilities in all our operations.

This risk is an ongoing challenge to all operations due to the evolving nature of cyber threats and the increasing costs associated with maintaining robust security systems and industry certifications. Regulatory demands, such as those under the upcoming NIS2 Directive, intensified customer due diligence, and more sophisticated attack methods, are expected to heighten this risk landscape.

From a financial perspective, the current impact includes continuous operational costs on qualified IT personnel, IT security enhancements, penetration testing, third-party audits and certifications. Future financial risks could involve unwanted spending on governmental fines, legal liabilities towards customers, incident response costs, or loss of revenue and reputation in case of a serious security breach.

A significant incident could also affect our financial statements, potentially resulting in the recognition of legal provisions or impairment of intangible assets, such as goodwill, if trust in the platform were materially damaged.

Despite these challenges, Merzell's strategy and business model are well-equipped to handle cybersecurity threats. We have implemented strong governance structures, plan for further certification expansions (including SOC2 and ISO 27701), and benefit from board-level oversight of cybersecurity risks.

This risk is assessed as stable compared to the previous reporting period, though it is being proactively mitigated through enhanced investments in system consolidation and strengthened security protocols.

This risk is fully addressed under the ESRS Disclosure Requirements and entity-specific disclosures in Merzell's sustainability and risk reporting frameworks.

2. Market and Customer Activity Risk:

Merzell Group faces market and customer activity risk, primarily related to the potential variability in public sector spending and procurement activity, which can influence platform usage and new customer acquisition.

This risk is moderated by Merzell's stable subscription-based business model, where above 95 % of revenue is derived from SaaS subscriptions. This model buffers us against short-term demand fluctuations and provides a relatively predictable revenue stream.

Looking to the future, the risk could materialise more significantly if public procurement budgets are reduced due to economic pressures or policy shifts. This might constrain overall demand and could negatively impact growth, new customer onboarding, and the volume of procurement activity on the platform.

The current financial effects are moderate thanks to the resilience of the subscription model. However, future financial impacts could include a slowdown in revenue growth, reduced upselling opportunities, or increased customer churn if demand weakens across specific sectors or regions.

While this risk does not directly influence asset and liability values under typical conditions, a structural or sustained decline in market demand could prompt a reassessment of goodwill or other intangible assets on the balance sheet.

Mercell's strategy and business model are moderately to highly equipped to manage this risk. Resilience is enhanced by geographic diversification across multiple European markets and long-term contractual relationships with public sector clients, which provide a more stable demand base.

There have been no material changes to this risk compared to the previous reporting period.

The ESRS Disclosure Requirements address the risk, and entity-specific disclosures are included in Merzell's risk and sustainability reporting.

3. Regulatory and Legal Compliance Risk:

Mercell Group identifies regulatory and legal compliance risk as a significant exposure area, stemming from the potential for non-compliance with procurement laws, competition regulations, GDPR, and emerging ESG-related legal frameworks.

Failure to comply with relevant regulations could lead to reputational damage and regulatory fines, affecting our standing and financial performance. Looking to the future, the increasing complexity of the regulatory environment, especially with the introduction of frameworks like CSRD and NIS2, will require enhanced internal controls, frequent audits, and more stringent compliance protocols.

From a financial standpoint, current impacts include ongoing compliance costs such as employee training, regulatory monitoring, legal oversight, and engagement with third-party auditors. Future financial consequences could be more severe in cases of non-compliance, potentially resulting in material fines, legal disputes, or loss of business, particularly within the public sector, where adherence to legal standards is essential for eligibility.

Mercell's ability to manage this risk is high, thanks to a well-established compliance culture, the implementation of a company-wide Code of Conduct, multiple ISO certifications, and a dedicated legal and compliance team that monitors and manages regulatory obligations.

Due to the rapid evolution of the regulatory landscape, this risk is becoming more dynamic and complex compared to previous reporting periods.

This risk is covered under the ESRS Disclosure Requirements and entity-specific disclosures provided in Mercell's formal reporting frameworks.

4. Mergers and Acquisitions Integration Risk:

Merzell Group recognises mergers and acquisitions (M&A) integration risk as a material challenge, reflecting that the integration of acquired businesses may fail to deliver the expected synergies or result in operational disruptions.

This risk manifests as platform and IT integration delays, increased cost, and personnel management complexity. Such complications can create inefficiencies and strain resources during transitional periods. Looking ahead, unsuccessful integration efforts could negatively impact profitability and weaken the strategic alignment of business operations across regions and platforms.

The current financial effects include integration-related costs, higher overhead, and potential short-term inefficiencies. If synergies are not realised in the future, Merzell may face reduced profitability and need to write down goodwill, particularly if acquisitions do not perform as expected.

This risk could lead to changes in asset and liability values in Merzell's financial statements. Specifically, failed integrations may impair goodwill or necessitate adjustments to deferred tax balances and other intangible assets.

Merzell Group's ability to manage this risk is considered moderate. Merzell has an integration framework in place, but outcomes depend on the complexity of individual acquisitions and the alignment of local operations with corporate strategy.

This risk increased significantly during 2024 and 2025 compared to previous periods due to recent acquisitions and the ongoing consolidation of platforms across the group.

This risk is formally addressed in the ESRS Disclosure Requirements and entity-specific disclosures in Merzell's sustainability and financial reporting.

3.5.3 Description of material opportunities resulting from the materiality assessment

1. Unified Pre-Award Platform Consolidation:

Merzell Group has identified a significant opportunity to consolidate our legacy platforms into a single, modern SaaS procurement solution serving all markets. This unified pre-award platform aims to streamline operations, modernise infrastructure, and deliver a more consistent and secure user experience.

The consolidation effort supports cost optimisation, improves user experience uniformity, and enhances security protocols across the organisation. By operating on a single infrastructure, the unified platform is expected to generate significant scale efficiencies, enable upselling opportunities, and provide more powerful data analytics capabilities in the future.

The current financial impact includes increased research and development (R&D) spending and capital expenditures (CAPEX) associated with the platform build-out. However, cost deferrals are expected to be parallel due to the temporary need to support legacy platforms during the transition.

The consolidated platform is projected to lower operating costs, improve profit margins, increase customer renewal rates, and enhance cross-sell and upsell potential for buyers and suppliers.

This opportunity may also influence our financial statements, potentially requiring the impairment of older platform assets while increasing the capitalisation of development costs and related intangible assets associated with the new platform.

Mercell is highly capable of leveraging this opportunity, supported by strong technical competencies, executive alignment, and backing from its expertise in Thoma Bravo, to drive this strategic transformation successfully.

The opportunity advanced significantly in 2024 compared to the previous reporting period, and ongoing migration efforts and legacy platform upgrades are expected to continue into 2025 and 2026.

This opportunity is addressed in the ESRS Disclosure Requirements and entity-specific disclosures, which are part of Merrell's sustainability and financial reporting frameworks.

2. Expansion of Supplier-Side Offering:

Mercell Group sees a material opportunity to develop our supplier-side services and offers further. As such, we currently have projects aiming to deliver enhanced supply-side features such as improved AI search functionality, even better analytics tools, and workflow automation. This will increase system value for our supplier customers and deepen their engagement with our platform. This is expected to open new revenue streams through tiered service offerings, positioning Merrell as a value-added data and analytics platform in public procurement.

From a financial perspective, the current impact is moderate, driven primarily by increased investment in product development. Over time, however, the initiative is projected to result in a higher average revenue per user and the development of new recurring revenue segments. This opportunity is also expected to affect our financial statements, as capitalised development work will lead to new revenue streams.

Mercell's strategy and business model are well-positioned to capture this opportunity, with the supplier-side expansion fully integrated into the platform roadmap. It also aligns with ongoing investments in analytics and artificial intelligence, ensuring technological synergies across service offerings. Since the previous reporting period, this opportunity has evolved from a strategic concept to an active product development priority. It became part of the formal product roadmap in 2024, with initial feature launches expected in 2025.

This opportunity is covered under both the ESRS Disclosure Requirements and entity-specific disclosures in Mercell's reporting.

3. Green and Socially Responsible Procurement Enablement:

Mercell Group has identified an opportunity to enable green and socially responsible public e-procurement through our digital SaaS platform. By supporting public authorities in achieving their environmental and social procurement targets under evolving EU directives, Mercell will strengthen its role as a key facilitator of ESG-aligned procurement practices.

This opportunity may enhance Mercell's positioning as a trusted partner in ESG-compliant procurement, contributing to client retention and reinforcing our brand leadership. The increasing relevance of frameworks such as CSRD, the EU Taxonomy, and various national green procurement regulations is expected to drive further demand for traceable and transparent procurement tools.

Regarding financial impact, the current benefit is mainly indirect, offering a marketing and positioning advantage. However, the future potential includes customer acquisition growth driven by Mercell's strong ESG positioning and opportunities to monetise new platform features, such as enhanced ESG reporting capabilities or certification services.

This opportunity also influences our financial statements by enhancing brand equity, increasing the perceived value of the platform, and improving valuation multiples and customer contract values.

Mercell is well-positioned to capitalise on this opportunity, as our platform is already digital, paperless, and cloud-based. This infrastructure supports incremental development of ESG-specific features, allowing us to scale our capabilities in response to market needs.

This opportunity became newly material in 2024, spurred by the acceleration of CSRD implementation and a noticeable increase in public sector demand for green and socially responsible tendering tools.

It is covered by both the ESRS Disclosure Requirements and entity-specific disclosures in Mercell's sustainability and financial reporting.

3.6 Explanation of negative materiality assessment for ESRS E1 Climate change

Mercell has concluded that ESRS E1 Climate Change is not a material topic under the double materiality principle as applied in the context of the CSRD. This decision is based on a robust internal materiality assessment supported by executive-level review and documented justification.

As a starting point, Mercell is a Software-as-a-Service (SaaS) provider delivering digital procurement solutions with an inherently Low Climate Impact. Unlike industrial or logistics-intensive businesses, we do not produce or transport physical goods. This means Mercell has minimal Scope 1 and 2 emissions (less than 1 % of total GHG emissions). Our influence over Scope 3 (constituting 99 % of the Group's GHG emissions) is more limited. Most indirect emissions for 2024 are calculated on spend-based estimated emissions from purchasing software and third-party services. Such service providers implement and manage their sustainability strategies. The key for significantly reducing emissions in Mercell is, therefore, first and foremost, to limit spending on third-party service providers.

Secondly, CSRD explicitly allows entities to omit disclosure requirements if the topic is not material, providing a regulatory and proportionality justification for focused reporting. This principle is reinforced by the EU Omnibus Proposal and the "Stop the Clock" Directive, both of which promote proportional sustainability reporting, especially for small and medium-sized enterprises (SMEs) and companies with limited environmental impact. Mercell's operations, as a digital service provider with a non-intensive environmental footprint, fall squarely within this scope.

Also, stakeholder expectations do not prioritise emissions in the context of Mercell's business model. Public-sector customers place greater value on transparency, ethical compliance, and the reliability of the procurement platform rather than the Group's internal emissions. Similarly, investors and other stakeholders are primarily concerned with overall spending, data security, responsible business conduct, and regulatory adherence, which are more directly aligned with Mercell's digital operations.

As visible in [Appendix 1: Detailed description of Status for relevant ESRS Topics](#), ESRS E1 topics are generally non-material for Mercell's business and operations.

Hence, Mercell should focus our CSRD strategy on prioritising other, more relevant, impactful sustainability disclosures aligned with our business model and stakeholder expectations. As mentioned above, Mercell particularly emphasises *G1 Business Conduct*, *S1 Workforce*, and *S4 Consumers and End Users*, as these areas reflect the core of Mercell's ESG risks and opportunities within our digital service environment.

Although climate change is not considered material, Mercell remains vigilant and will revisit this assessment if future developments warrant a reassessment. These may include expanding physical operations, such as opening owned data centres, logistics hubs, or offices with significant energy consumption. Introducing stricter climate regulations, particularly if national implementations of CSRD or sector-specific directives mandate

climate disclosures regardless of materiality, could also necessitate changes. Additionally, increased stakeholder pressure from material investor groups or public authorities demanding climate-related targets or disclosures as a condition of doing business may shift the relevance of climate topics. Greater visibility or control over upstream emissions from vendors and cloud providers, or a strategic expansion of Merrell's platform into emission-intensive sectors, could also alter materiality determination.

In the meantime, Merrell will continue to voluntarily track and openly disclose greenhouse gas emissions through an open GHG Emission report. This approach supports transparency while avoiding unnecessary resource expenditure on non-material compliance efforts.

3.7 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

3.7.1 List of data points that derive from other EU legislation

Data Point Name or ID	Related EU Legislation Name	Is the data point material?	Location in the sustainability statement (if material)
Gender pay gap S1-9:	Directive 2006/54/EC (Equal Treatment Directive)	Yes	"Social and human capital management" section → paragraph on Compensation, pay equity and fair wages
Policies on equal treatment and non-discrimination S1-12:	Directive 2000/78/EC (Employment Equality Directive)	Yes	"Social and human capital management" section → paragraph on Diversity and equal opportunities
Anti-corruption and anti-bribery practices G1-1:	Directive (EU) 2017/1371 (PIF Directive), Criminal Law	Yes	"Governance and ethical business conduct" section → Responsible business conduct and group policy commitments
Protection of whistleblowers G1-2:	Directive (EU) 2019/1937 (Whistleblower Protection)	Yes	"ESG targets and performance metrics" section → Whistleblowing
Data protection and privacy practices G1-5:	General Data Protection Regulation (GDPR) EU Directive 2016/679	Yes	"ESG targets and performance metrics" section → Data Security as a human right

3.7.2 List of ESRS Disclosure Requirements complied with in the sustainability statement

Disclosure Requirement name	Paragraph of Sustainability Statement
Own Workforce	See "Social and human capital management" section
Business Conduct	See "Governance and ethical business conduct" section

4 General Disclosures



4.1 General basis for the preparation of sustainability statements

4.1.1 Basis for the preparation of the sustainability statement

The present sustainability statement has been prepared consolidated for all activities in Mercell Group.

4.1.2 Scope of consolidation of sustainability statement in relation to financial statements

The scope of consolidation for this sustainability report is the same as the scope used in the consolidated financial statements of Mercell Group. This ensures consistency and comparability across both economic and sustainability disclosures. All entities included in Mercell Group's consolidated financial statements have been fully considered in this sustainability report, per the requirements of Article 48i of Directive 2013/34/EU.

By aligning the reporting boundaries, we ensure stakeholders receive a comprehensive and accurate view of Mercell's environmental, social, and governance (ESG) impacts, risks, and opportunities.

4.1.3 Subsidiaries included in the consolidation that are exempted from individual or consolidated sustainability reporting

This sustainability report includes all legal entities in Mercell Group.

4.1.4 The extent to which the sustainability statement covers the upstream and downstream value chain

Mercell Group's sustainability statement considers the material IROs associated with its upstream and downstream value chain, as identified through our DMA. This assessment evaluates sustainability matters linked to our direct and indirect business relationships, focusing on areas where Mercell Group significantly influences or is materially affected.

Mercell Group's *upstream value chain* consists primarily of technology suppliers, cloud service providers, data processors, and third-party vendors supporting our SaaS solutions. Our materiality assessment incorporates sustainability risks related to data security and privacy risks associated with third-party IT infrastructure and software providers, carbon footprint related to cloud computing and data hosting services, and human rights and labour practices within outsourced service providers, ensuring alignment with our supplier code of conduct.

Merrell Group integrates sustainability criteria into our supplier due diligence processes and expects suppliers to adhere to our ESG policies. Additionally, we track and report on relevant Scope 3 emissions linked to our upstream operations where feasible.

Merrell Group's *downstream value chain* primarily includes public sector clients, businesses using our procurement platforms, and end-users engaging with our SaaS solutions. Our sustainability reporting considers the role of Merrell Group in enabling sustainable procurement – helping public entities and businesses adopt ESG-aligned purchasing decisions; data protection and ethical AI use – ensuring our digital solutions promote fair and transparent procurement practices; and energy efficiency of software solutions – minimising the environmental impact of our platform usage.

We engage with customers and stakeholders to support responsible procurement practices and track sustainability performance metrics where relevant.

Merrell Group incorporates data from upstream and downstream partners into our sustainability disclosures where applicable. This includes supplier ESG performance assessments for material upstream risks, customer and market feedback on the sustainability impact of our solutions, and Scope 3 GHG emissions data, where measurable, to reflect the broader environmental footprint of our business model.

While Merrell Group does not have direct operational control over all aspects of the value chain, we actively engage with suppliers, partners, and customers to drive sustainability improvements. Our policies, actions, and targets extend beyond our direct operations to influence responsible practices across the value chain.

4.2 Disclosures about specific circumstances

4.2.1 Definitions of short-, medium-, and long-term time horizon

Merrell applies the following definitions for short-, medium-, and long-term time horizons in our sustainability reporting, aligned with ESRS 1 Section 6.4 recommendations:

Short-term	Up to 1 year (immediate planning and actions)
Medium-term	Between 1 and 5 years (strategic planning and measurable sustainability targets)
Long-term	Beyond 5 years (long-term ambitions, strategic sustainability goals, and significant transformations)

4.2.2 Information on metrics that include value chain data estimated using indirect sources

Value chain metric (name or ID)	Basis for the preparation of the metric	Resulting level of accuracy
Cloud Hosting Emissions (Scope 3 GHG Emissions)	It is based on sector averages and publicly available cloud providers (AWS) data. Accuracy will increase as we strengthen our collaboration with providers for more precise data.	Moderate – based on standard industry averages. Accuracy is expected to improve significantly as specific provider data becomes available through deeper collaboration with AWS.
Business Travel Emissions (Scope 3 GHG Emissions)	Spend-based and activity-based calculations using internal records and standardised emissions factors.	Moderate – precise internal records combined with standard emissions factors.
Facility Energy Use Emissions (Scope 2 GHG Emissions)	Calculated from actual activity data (electricity consumption, office size) and standard emissions factors. Where not available based on m2 and the number of employees using the Greenly tool calculations.	Medium to High – reliable internal data and activity-based measurement.
Procurement-Related Emissions (Scope 3 GHG Emissions)	A spend-based calculation approach is used through our ERP integration with Greenly, complemented by sector-specific proxies where necessary.	Moderate – initially spend-based; accuracy will improve as activity-based methodologies are adopted.

4.2.3 Planned actions to improve accuracy in metrics that include value chain data estimated using indirect sources

Merrell recognises that the accuracy of our sustainability metrics, especially those involving value chain data (Scope 3), will improve through continuous refinement and collaboration. Given this is our first reporting cycle under CSRD, we plan practical and achievable enhancements such as:

- **Improved Data Collection:** Integrating our ERP system with Greenly to transition from primarily spend-based to more accurate activity-based emission estimations.
- **Collaboration with Key Suppliers:** Strengthening cooperation with key suppliers and cloud service providers (AWS) to access precise, supplier-specific emissions data rather than relying solely on sector averages.
- **Enhanced Internal Data Processes:** Establishing more straightforward internal guidelines and responsibilities for collecting and validating ESG data, ensuring consistent quality and completeness.

4.2.4 Quantitative metrics are subject to a high level of measurement uncertainty

Quantitative metric (name or ID)	Sources of measurement uncertainty	Description of assumptions, approximations, and judgments made in measurement
Scope 3 Greenhouse Gas (GHG) Emissions	<p>Scope 3 emissions – particularly those related to purchased goods and services and upstream IT services – are based on estimated data due to:</p> <ul style="list-style-type: none"> Limited supplier-specific emissions disclosures Generic emission factors from databases Incomplete internal tracking (e.g., detailed commuting patterns) 	<p>Use of expenditure-based methodologies for several upstream categories</p> <p>Approximation of employee commuting based on average distances and hybrid work policies</p> <p>Generalised emission factors are applied where supplier-specific values are unavailable</p>

4.2.5 Overview of changes in the preparation or presentation of sustainability information

1. Adoption of CSRD and ESRS Framework:

As part of our continued commitment to enhanced transparency and regulatory alignment, Mercell Group has adopted CSRD and the ESRS framework. This transition marks a significant change from our ESG reporting format to a CSRD-compliant sustainability statement structured under ESRS.

This change aligns with evolving EU regulatory requirements, which mandate a more rigorous and standardised approach to sustainability reporting. By adopting CSRD and ESRS, our disclosures are more consistent, comparable, and transparent, offering stakeholders greater clarity and insight into our sustainability performance.

Our reporting was based on the Global Reporting Initiative (GRI) framework and internal sustainability key performance indicators (KPIs) in previous sustainability statements. However, this prior format did not include a formalised DMA, a key CSRD component.

In contrast, the current sustainability statement fully complies with the CSRD. It includes a comprehensive DMA, detailed sustainability impacts and risks evaluations, and structured ESG disclosures that adhere to ESRS standards.

It is important to note that this is our first sustainability report under the CSRD framework. As such, direct comparability with previous reports may be limited due to changes in methodology and scope.

2. Double Materiality Assessment (“DMA”) Integration:

As part of our shift toward CSRD compliance, Mercell Group has integrated a formal DMA into our sustainability reporting. This change is driven by CSRD requirements, which mandate that organisations assess financial materiality, referring to risks and opportunities that could affect our financial performance, and impact materiality, which covers the organisation’s effects on the environment and society.

This approach provides a more transparent and holistic understanding of sustainability-related impacts, risks, and opportunities for Mercell Group and our stakeholders. It enhances the relevance and usefulness of our disclosures by aligning with best practices and regulatory expectations.

In previous sustainability reports, material topics were primarily identified based on internal priorities, without a structured application of double materiality principles. The current report, by contrast, reflects a comprehensive DMA that incorporates stakeholder engagement and adheres to regulatory guidelines.

Additionally, the methodology and criteria used to conduct this assessment are transparently disclosed in the report, ensuring accountability and allowing for informed stakeholder evaluation.

3. Enhanced ESG Performance Metrics:

Mercell Group has implemented enhanced ESG performance metrics in alignment with the standardised indicators outlined in ESRS. This change reflects the introduction of structured and comparable sustainability indicators as part of our commitment to regulatory compliance and improved reporting quality.

Adopting these standardised metrics allows for better benchmarking against industry peers and alignment with regulatory expectations. It enhances the usefulness and credibility of our sustainability disclosures by ensuring that the data we report is comparable and relevant in a broader context.

In previous sustainability statements, ESG performance was tracked using custom metrics tailored to Mercell's internal needs. While these were useful for internal decision-making, they were not fully aligned with external reporting frameworks, limiting comparability.

The current sustainability report presents ESG metrics structured according to ESRS requirements, reflecting industry best practices and supporting a more transparent performance communication.

It is important to note that some historical ESG data may not be directly comparable with the newly reported figures due to methodological changes.

4.2.6 Information in the sustainability statement is derived from other sustainability reporting standards and frameworks



Greenhouse Gas (GHG) Protocol:

Mercell Group calculates our greenhouse gas emissions following methodologies defined by the GHG Protocol Corporate Standard. This framework is explicitly applied in the [Environmental and Climate performance](#) section below. While the GHG Protocol is the primary framework referenced, there is currently no additional alignment with other standards for this section. Notably, emissions calculations at this stage primarily rely on indirect estimations using sector averages. The accuracy of these calculations is expected to improve as more precise data becomes available from ERP systems and cloud service providers.



Global Reporting Initiative (GRI):

Mercell also partially references the Global Reporting Initiative (GRI) standards in our sustainability disclosures, particularly concerning workforce-related metrics such as diversity, inclusion, and employee turnover. These disclosures are included in the [Social and human capital management](#) section below and refer specifically to GRI 401 (Employment) and GRI 405 (Diversity and Equal Opportunity). However, only selected sections relevant to employee demographics and workforce data are addressed, and Merzell does not currently produce a fully GRI-aligned report. This partial reference reflects a targeted use of the GRI framework to support transparency in key human capital areas.

4.3 Governance structure for sustainability management

4.3.1 Number of executive members in the company's administrative, management, and supervisory bodies:

6 Executive members in the Executive Leadership Team (ELT).

4.3.2 Number of non-executive members in the company's administrative, management, and supervisory bodies:

37 Non-executive members report directly to one of the members in the ELT (2024).

4.3.3 Representation of employees and other workers in the company's administrative, management, and supervisory bodies:

Employees are represented in Country Councils but not in the board of directors or day-to-day management. Where applicable, we cooperate closely with local union representatives and employee representatives.

4.3.4 Members' experience relevant to sectors, products, and geographic locations:

Mercell’s administrative, management, and supervisory bodies collectively possess extensive expertise relevant to our core operational areas:

1. Sector Experience (Public Procurement and SaaS):

Our leadership team has significant experience in technology-driven public procurement, SaaS delivery, and digital transformation. They understand the complex regulatory and operational landscape of public-sector procurement across Europe.

2. Product Expertise (e-Procurement Platform):

Members of our management team bring deep expertise in software development, cloud technology, data security, compliance (e.g., GDPR), and digital innovation. This ensures strategic oversight and robust management of our core platform (Mercell Tender Platform – MTP).

3. Geographical Expertise (European Operations):

The management and supervisory teams include individuals with extensive operational experience and local market knowledge across our primary geographies: Norway, Sweden, Denmark, Finland, the Netherlands, and Germany.

4.3.5 Percentage of members of administrative, management, and supervisory bodies by gender (2024):

Gender	Percentage in governance bodies
Male	80.00%
Female	20.00%
Total	100.00%

4.3.6 Board's gender diversity ratio:

33.3 %

4.3.7 Percentage of independent board members:

100 %

4.3.8 Roles and responsibilities in the oversight of impacts, risks, and opportunities (IROs)

1. Board of Directors:

Oversight of IROs at Merrell Group is led by the Managing Director, who acts under the authority of the Board of Directors. The Board, elected by the General Meeting, holds joint representation of the Group and operates under clearly defined roles outlined in Merrell's corporate Governance Principles, Code of Conduct, and governing terms regulating management representation. Their responsibilities include strategic supervision of regulatory compliance, ESG alignment, and enterprise risk management.

In terms of governance processes, the Board oversees the risk management framework and corporate compliance mechanisms. This includes approving significant sustainability-related policies, monitoring ISO certification progress (such as ISO 27001, ISO 9001, and ISO 14001), and ensuring the organisation remains compliant with key EU regulations, including CSRD and GDPR.

The Board also plays a central role in setting and monitoring strategic targets. This includes defining ESG maturity goals, approving investment roadmaps – such as those relating to platform development and certification plans – and evaluating performance through structured reporting cycles.

The board is responsible for monitoring group exposure to all risks, including sustainability-related risks, and ensuring that internal control systems are proportionate to, and reflect the nature of, risks. A Group Code of Conduct has been adopted. All executives, managers, and leaders manage sustainability-related risks within their domain. The code of conduct and Merrell's general approach to risk management specify that ethical considerations and risk of non-compliance should be included in all business assessments before entering any new market, product, or business relationship. Leaders are responsible for implementing appropriate policies, procedures, and systems to meet such requirements. The CFO coordinates and reports on assessing overall risk exposure through the compliance function. The most critical risks, including sustainability-related risks, are evaluated and reported to the board of directors. Merrell is growing by acquiring new companies that represent different sustainability approaches and maturity levels. To ensure that sustainability is understood and respected similarly across all entities and functions, Merrell is constantly working to build a unified approach to sustainability and compliance. The Group strives to be open about our successes and challenges on this journey.

Our Corporate Governance Code stipulates that the board shall have sufficient diversity and competence to meet Merrell's strategy and create long-term value. This implies adequate understanding and knowledge of CSR and ESG impacts and risks. ESG results are not a distinct part of the remuneration structure for the Executive Management Team, but are implied in the principle that performance-related remuneration should be linked to strategy and long-term value creation. For more information about our processes and

structures related to board and executive remuneration, we refer to the section on corporate governance.

To further increase its oversight, the Board of Directors has established permanent committees reporting to the board on specific matters. Currently, the board has established an Audit Committee governed by a particular Audit Committee charter, a Compensation Committee governed by a specific Compensation Committee charter, and a Cyber Committee governed by a Cyber Committee charter.

Oversight responsibilities are integrated with internal functions via executive management's cross-functional reporting, including Legal/Compliance, Finance, and Technology departments. The Board's mandates are closely aligned with the planning and review functions of the Executive Management Team, ensuring cohesive governance and operational alignment.

These oversight responsibilities are not delegated to a specific management-level position or a separate committee. Instead, oversight is exercised directly by the Board through formal meetings, performance evaluations, budgetary oversight, and compliance review processes.

2. Executive Leadership Team (ELT):

At Merrell Group, C-level executives collectively form the ELT and oversee and execute IROs.

The ELT's responsibilities are formalised through function-specific mandates and policies embedded in key governance documents. These include the Code of Conduct, the information security policy, and various operational plans clearly defining ESG and executive leaders' compliance obligations.

The ELT plays a central role in operationalising IRO governance. It is tasked with implementing controls required for ISO and ISAE certifications and managing the integration of enterprise systems such as the ERP platform and Greenly for carbon tracking. In addition, the EMT leads internal audits, stakeholder engagement activities, risk assessments, and the preparation of ESG disclosures.

C-level executives are responsible for setting quarterly and annual targets related to ESG and compliance. These include objectives such as ISO certification milestones, platform migration deadlines, and CSRD disclosure commitments. Performance is tracked through a structured framework of Objectives and Key Results (OKRs) and Key Performance Indicators (KPIs), fully integrated into functional and financial reporting systems.

The ELT's role in IRO oversight is fully integrated across all core functions of the organisation, including Finance, Technology, Legal, HR, and Customer Operations. This cross-functional structure ensures aligned and effective management of sustainability and regulatory risks across the business.

Oversight responsibilities are delegated to specific management-level positions within the ELT, though not to a formal committee.

The Board of Directors maintains high-level oversight by receiving regular updates from the ELT. It reviews IRO-related progress through performance dashboards and approves strategic plans incorporating ESG goals and risk mitigation measures.

4.3.9 Reporting lines to the company's administrative, management, and supervisory bodies

Mercell's ELT, led by the Group CEO, reports directly to the Board of Directors. Each ELT member manages sustainability-related IROs within their domain and regularly updates the Board through structured business reviews and performance reports.

The Board, comprising Managing Directors, jointly oversees IRO-related decisions as outlined in the charter. ESG, compliance, and risk reporting are integrated with financial reporting, leveraging ISO and ISAE-certified processes and the ERP-Greenly system for emissions tracking.

This structure ensures IROs are consistently monitored and escalated, enabling strategic alignment and effective oversight at the highest governance levels.

4.3.10 Sustainability-related expertise and skills in administrative, management, and supervisory bodies

Mercell's leadership ensures appropriate skills and expertise to effectively oversee sustainability through a practical approach, relevant to our business model and stage in the sustainability journey:

Our Executive Management Team leverages internal expertise from relevant departments, complemented by external resources such as the Greenly platform.

As we continue to build our sustainability capabilities, targeted training on ESG topics, regulatory requirements (e.g., CSRD, ESRS), and sustainability management will be provided to ensure informed decision-making and compliance.

Sustainability skills within our management team directly connect to Mercell's key areas such as data security, employee well-being, responsible procurement, and climate-related considerations, ensuring meaningful oversight aligned with our core business.



4.4 Management and supervisory bodies' involvement in sustainability

4.4.1 Reporting process to the company's executive management and supervisory bodies

The ELT members are responsible for informing the Board of Directors about sustainability-related IROs. IROs regularly report to the Board of Directors through formal business review meetings. Additional ad-hoc updates regarding regulatory developments, major incidents, or material risk changes are provided.

4.4.2 Consideration of IROs in strategy, major transactions, and risk management processes

Mercell's Board of Directors and ELT actively incorporate strategic planning, investment decisions, and risk management. IROs such as ethical procurement, data security, and workforce inclusion are central to Merrell's CSRD-aligned ESG focus. Non-material topics (e.g., E1 Climate Change) are excluded to maintain strategic clarity.

ESG risks and opportunities are reviewed during acquisitions and IT investments, with trade-offs between cost, compliance, and long-term platform value carefully considered.

Risks are assessed regularly using ISO-aligned frameworks and impact-likelihood analysis. Designated EMT leaders monitor compliance, cybersecurity, and data protection risks.

4.4.3 List of material IROs addressed by administrative, management, and supervisory bodies

In 2024, Merrell's Board of Directors and ELT addressed several key sustainability-related topics through regular reporting and strategic reviews. These included:

- Cybersecurity and data protection, with a focus on maintaining ISO 27001 and preparing for SOC2 certification.
- Platform development and integration, especially related to improving user access and reducing operational complexity.
- Workforce-related matters, including inclusion, equal opportunity, and Code of Conduct implementation.
- ESG reporting scope, including the decision to exclude E1 Climate Change based on materiality, while continuing voluntary emissions tracking via Greenly.



4.5 Mercell's ESG due diligence processes

Mercell is committed to transparently evaluating and communicating its sustainability performance. In its CSR and ESG Reporting, Mercell will annually disclose ESG targets, report GHG emissions, and describe performance aligning with CSRD and ESRS standards, ensuring clear communication with employees, customers, suppliers, regulators, and investors. Regular reviews of ESG actions and outcomes enable us to adapt our strategies effectively and remain responsive to stakeholder feedback and evolving sustainability best practices.

Mercell proactively addresses ESG risks and impacts through targeted initiatives. Although our SaaS business model inherently involves a lower direct carbon footprint, we actively engage our cloud provider, AWS, to enhance the sustainability of our digital infrastructure. By digitising procurement processes, we significantly reduce paper usage, transportation-related emissions, and downstream waste, enabling our public-sector customers to achieve their sustainability goals. On the social and governance fronts, we prioritise employee well-being, diversity, and inclusion through various internal programs and policies. Our governance practices are anchored in robust ethical standards that ensure compliance, transparency, and data protection, supported by clear internal policies and verified through external assurance frameworks such as GDPR, ISAE, and SOC 2.

By using the standards and methodology in Greenly's all-in-one CSRD sustainability tool, Mercell has tracked greenhouse gas ("GHG") emissions and conducted a structured compliance assessment to identify and evaluate potential adverse impacts arising from our operations and value chain. Through the Greenly platform, we have also implemented a DMA to systematically evaluate our impacts on society and the environment, impact materiality, and the ESG-related risks to our business's financial materiality. In addition, we have been able to perform value chain analyses to examine indirect sustainability impacts, particularly those associated with our cloud hosting providers and IT suppliers, recognising their relevance to our overall ESG footprint.

Mercell actively engages stakeholders at every stage of our sustainability journey. Internally, employees from various departments contribute to sustainability assessments and strategy development, ensuring that diverse perspectives inform our approach. Externally, we maintain open dialogues with customers, suppliers, and regulators to align our sustainability priorities with stakeholder expectations and emerging ESG trends. As our sustainability framework continues to evolve, we intend to deepen this engagement further to ensure continued alignment and mutual value.

Mercell integrates ESG due diligence deeply within our governance structures and overall business strategy. Sustainability oversight resides at the executive management and board

levels, embedding accountability at the highest levels of the organisation. ESG considerations are regularly reviewed to inform strategic planning and day-to-day operational decisions. Through our DMA, topics such as data security, responsible procurement, employee well-being, and climate change are fully embedded into our strategic objectives and business development initiatives, ensuring sustainability is a core element of operating and growing.

4.6 Mapping of information provided in the sustainability statement about the due diligence process

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy, and business model	<p>Merrell integrates ESG due diligence deeply into our governance structures and business strategy:</p> <p><u>Leadership and Governance:</u> Sustainability oversight resides at executive management and board levels, embedding accountability at the highest organisational tier. ESG considerations are regularly reviewed to inform strategic planning and operational decisions.</p> <p><u>Strategic Integration:</u> Sustainability topics such as data security, responsible procurement, employee well-being, and climate change considerations have been embedded into our strategic objectives and business development initiatives through our DMA.</p>
Engaging with affected stakeholders in all key steps of the due diligence	<p>Merrell actively engages stakeholders throughout our sustainability journey:</p> <p><u>Internal Stakeholders:</u> Employees across various departments contribute directly to our sustainability assessments and strategy, ensuring a comprehensive internal perspective.</p> <p><u>External Stakeholders:</u> Merrell dialogues with customers, suppliers, and regulators to align our sustainability priorities with stakeholder expectations and emerging ESG trends. As our sustainability approach matures, we plan to deepen stakeholder engagement further.</p>
Identifying and assessing adverse impacts	<p>Merrell conducts structured assessments to identify and evaluate potential adverse impacts from our operations and value chain:</p> <p><u>Double Materiality Assessment (DMA):</u> Using the Greenly platform, Merrell systematically assesses our impacts on society and the environment (impact materiality) and ESG-related risks to our business (financial materiality).</p> <p><u>Value Chain Analysis:</u> We evaluate indirect sustainability impacts, particularly those associated with cloud hosting providers and IT suppliers, recognising their significance in our ESG footprint.</p>

<p>Taking actions to address those adverse impacts</p>	<p>Mercell proactively addresses ESG risks and impacts through targeted actions:</p> <p><u>Environmental Actions:</u> Although our SaaS business model inherently involves a lower direct carbon footprint, we actively engage our cloud provider (AWS) to enhance the sustainability of our digital infrastructure. By digitising procurement processes, Mercell significantly reduces paper use, transportation emissions, and waste down the value chain, directly enabling public-sector customers to achieve their sustainability goals.</p> <p><u>Social and Governance Actions:</u> We prioritise employee well-being, diversity, and inclusion through internal programs and policies.</p> <p>Robust governance and ethical standards ensure compliance, transparency, and data protection, guided by clear policies and external assurance frameworks (e.g., GDPR, ISAE, SOC 2).</p>
<p>Tracking the effectiveness of these efforts and communicating</p>	<p>We commit to transparently evaluating and communicating our sustainability performance:</p> <p><u>Reporting:</u> Mercell will disclose ESG targets and performance aligned with CSRD and ESRS standards annually, communicating clearly to employees, customers, regulators, and investors.</p> <p><u>Continuous Improvement:</u> Regular reviews of ESG actions and outcomes enable Mercell to adjust strategies effectively and maintain responsiveness to stakeholder feedback and evolving sustainability best practices.</p>



4.7 Risk management and internal controls over sustainability reporting

4.7.1 Scope, main features, and components of risk management and internal control processes

Mercell manages risks related to sustainability reporting through transparent, practical internal processes designed to ensure reliability and accuracy at an appropriate level for our SaaS business.

Our internal control processes cover data accuracy, completeness, and timely collection, mainly focusing on key ESG information like emissions data, employee metrics, and information from suppliers (e.g., cloud providers).

Mercell's ESG governance framework includes several key features to ensure effective and consistent organisational sustainability management. Responsibilities are clearly defined within relevant internal teams, promoting accountability and clarity in execution. ESG efforts are supported by centralised coordination and review mechanisms, which help maintain consistency across functions and reporting cycles. Additionally, Mercell uses structured ESG tools, such as Greenly, to enable efficient and reliable collection of sustainability-related data.

A core component of this approach is ongoing executive oversight and engagement at the management level, which ensures that ESG priorities remain embedded in strategic decision-making and daily operations.

4.7.2 Methodology for assessment and prioritisation of risks

Mercell is actively working toward establishing a holistic and practical approach to assessing sustainability reporting risks. As this is the Group's first year formally aligning with CSRD and ESRS requirements, the current methodology reflects an early-stage but deliberate process. The initial identification of reporting risks involves a qualitative assessment focused on data completeness, accuracy, and timeliness, with particular attention to areas most relevant to Merrell's SaaS business model, such as emissions from cloud hosting, employee data, and supplier-related information. Internal collaboration plays a key role, with stakeholders from relevant departments jointly discussing, reviewing, and prioritising the identified risks based on their potential impact on the quality and reliability of reported information.

Looking ahead, Merrell is committed to continuous improvement. As our sustainability reporting capabilities mature, the methodology will evolve to include more structured assessment tools and refined governance processes to strengthen data reliability and ensure transparent, high-quality disclosures.

4.7.3 Overview of identified risks associated with sustainability reporting

Risk related to reporting (name or ID)	Short description of risk mitigation strategy	Related control processes
Risk 1: Regulatory Changes (ESRS Omnibus Update and "Stop the Clock" Directive) Upcoming regulatory changes (ESRS Omnibus Update and "Stop the Clock" Directive) may impact future reporting requirements.	Merrell closely monitors regulatory developments and maintains flexibility in reporting processes to adapt quickly to potential new requirements.	Regular regulatory monitoring by the Compliance team, ongoing dialogue with external sustainability experts, and periodic internal reviews of our sustainability reporting approach.
Risk 2: Data Accuracy and Completeness Potential inaccuracies or gaps in collected ESG data (especially emissions and workforce metrics) due to limited internal experience.	Clearly defined responsibilities, internal data collection guidance, and use of structured ESG reporting tools (e.g., Greenly).	Regular internal validation by responsible teams, centralised data quality reviews, and use of external expertise as needed.
Risk 3: Timely Data Collection from External Parties Key sustainability information from external partners (e.g., cloud providers or suppliers) has been delayed or is only available.	Early and proactive engagement with external partners, clearly communicating data requirements and timelines.	Established communication channels with key partners, structured data collection processes, and regular follow-up procedures.

4.7.4 Incorporation of risk assessment findings into internal functions and processes

Mercell is still at an early stage in formally integrating the results of sustainability risk assessments and internal control findings into our internal functions and processes. As this is our first year aligning with CSRD and ESRS requirements, the current approach focuses on identifying and discussing risks related to sustainability reporting in collaboration with relevant internal departments. Preliminary findings and areas for improvement are documented, including considerations for potential updates to internal controls or procedures.

Future steps are being planned, such as conducting internal training sessions, updating relevant policies, and providing more explicit internal guidance to support the quality and consistency of sustainability reporting.

4.7.5 Reporting on risks to administrative, management, and supervisory bodies

Mercell is still in the early stages of formal alignment with CSRD. The current reporting approach includes informal and periodic updates on sustainability matters shared during leadership meetings. Significant findings from ongoing sustainability assessments are discussed ad hoc in Executive Management meetings.

Looking ahead, Mercell is committed to formalising structured reporting cycles to ensure more consistent and transparent communication in future reporting periods.



4.8 Strategy, business model, and value chain

4.8.1 Description of significant groups of products and services offered

Mercell provides comprehensive software solutions designed to simplify and digitalise public spend management, primarily through our tendering and bidding platform:

- **Mercell Tendering (MT):** Our digital tendering platform enables public-sector buyers to manage procurement processes efficiently, ensuring compliance, transparency, and optimal value for public funds.
- **Mercell Bidding (MB):** A dedicated platform that empowers suppliers by providing seamless access to public tenders, streamlined bidding processes, and increased market visibility.

Mercell Group consists of several legal entities trading as “Cloudia”, “EU Supply”, “Mercell”, and “Spring”. Mercell’s pre-award marketplaces simplify buyers’ procurement and tendering process, making it easy to interact with suppliers. Mercell has platform services marketed as Cloudia, Complete Tender Management (“CTM”)/EU-Supply, Ethics, MeForms, Mercell Bidding, Mercell Tendering, Mercell Sourcing Service (“MSS”), Mercell Tender Service (“MTS”), Negometrix (“NX” or “S2C”), Opic, and TendSign.

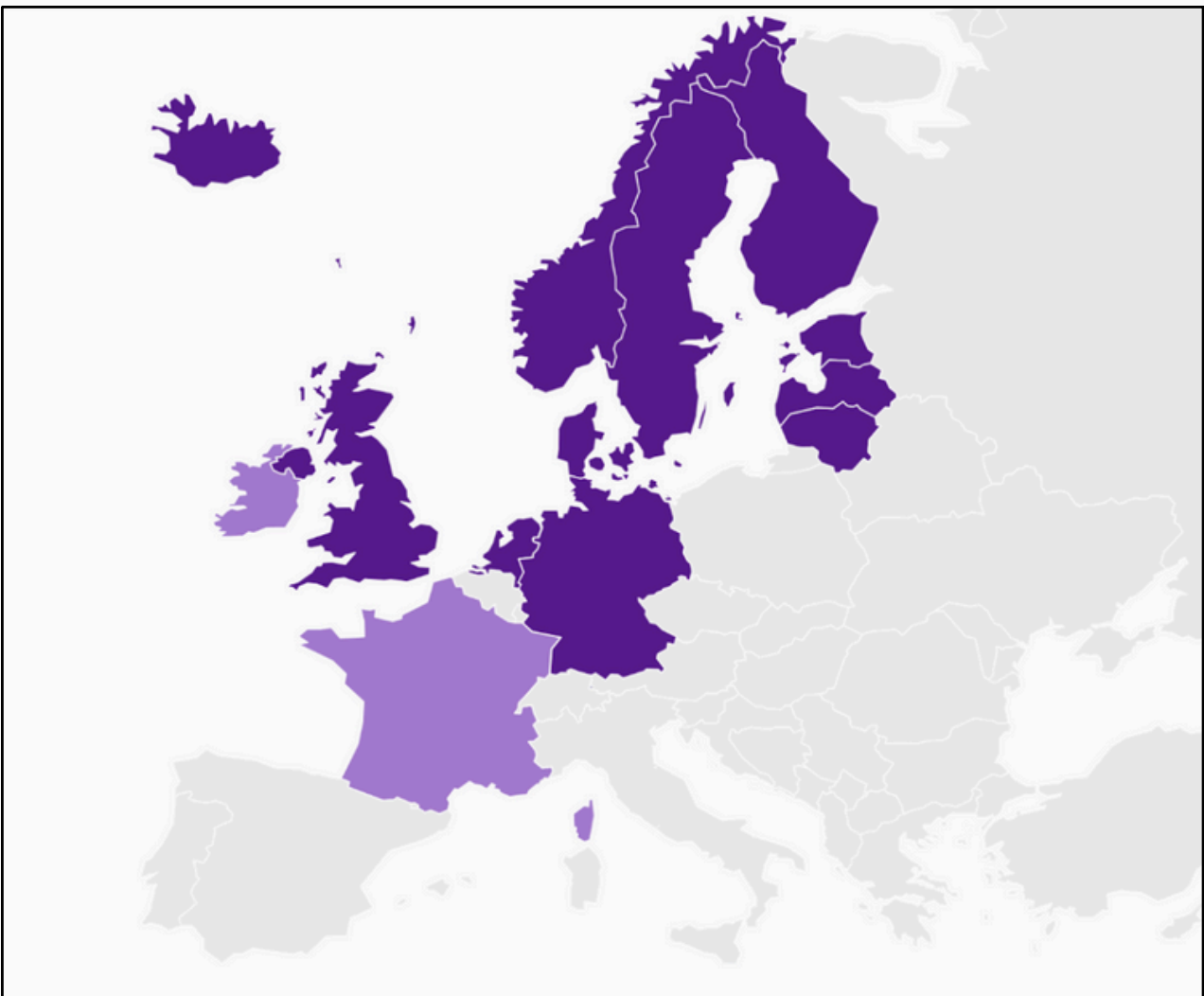
4.8.2 Description of significant markets and customer groups

Mercell operates primarily within the European market, providing digital tendering and bidding solutions to public-sector organisations and suppliers. Our considerable customer groups and markets include:

- **Public-Sector Buyers (Merrell Tendering):** Public authorities, municipalities, government institutions, and agencies utilise our tendering solutions to streamline procurement processes and achieve transparency and compliance.
- **Suppliers and Businesses (Merrell Bidding):** Companies and suppliers across various industries use our platform to efficiently identify opportunities, participate in tenders, and engage effectively with public-sector customers.

Geographic Markets:

Mercell conducts business and operates in the EU, EEA, and UK. All Merrell's customer data hosting is based on servers in the EU, EEA, or UK. Currently, Merrell has operations in the following European markets:



4.8.3 Number of employees per significant geographical area

Country	Number of employees (head count)	Calculation method
Denmark	38.8	FTE
Estonia	11	FTE
Finland	48.2	FTE
Germany	1	FTE
Ireland	1	FTE
Latvia	7	FTE
Lithuania	8	FTE
Netherlands	49.3	FTE
Norway	57.6	FTE
Poland	1	FTE
Sweden	80.8	FTE
Switzerland	4	FTE
United Kingdom	6	FTE

For further employee data, [see section 6.2](#).

4.8.4 Revenue per significant ESRS sector

Sector (name or ID)	Revenue from the sector
Technology and Communication	84,717,000 EUR

4.8.5 Description of sustainability-related goals

Mercell is committed to integrating sustainability clearly and pragmatically into our core operations, products, and stakeholder relationships. Our sustainability goals align closely with our business model as a SaaS provider in public procurement.

One area of focus is enhancing the Merzell Tendering and Bidding platform to enable customers to easily incorporate environmental and sustainability criteria into procurement tenders. Merzell is also continuously working to improve the ecological efficiency of our digital solutions by minimising indirect impacts through cloud infrastructure and collaborating with providers such as AWS to monitor and reduce emissions.

Mercell helps public-sector buyers achieve sustainability objectives by supporting customer categories and promoting transparent, responsible, and compliant procurement practices. At the same time, the company empowers suppliers to participate more effectively in sustainable procurement by offering accessible tools to identify and meet relevant sustainability requirements.

Geographically, Mercell is strengthening sustainability alignment across all existing markets while ensuring proactive ESG integration when entering new regions, such as our recently initiated operations in Germany.

Regarding stakeholder relationships, the company prioritises transparency, accountability, and ongoing dialogue with employees, customers, investors, and regulatory authorities to ensure continuous alignment with evolving sustainability expectations. Internally, Mercell is building sustainability competence and awareness through targeted training, internal communication efforts, and cross-department collaboration.

4.8.6 Assessment of significant products, services, markets, and customer groups

Mercell assessed our products, services, markets, and customer groups about sustainability goals through a straightforward and qualitative internal review. We considered how our key offerings – Mercell Tendering and Bidding platforms – support sustainability by digitising public procurement, reducing environmental impacts, and helping customers integrate sustainability criteria into procurement processes.

Our assessment also included the relevance of sustainability expectations in key geographical markets, ensuring alignment with stakeholder and regulatory expectations across Europe.

This practical and holistic evaluation reflects our SaaS business model and current maturity level in sustainability reporting.

4.8.7 Elements of strategy that relate to or impact sustainability matters

Mercell's sustainability approach is closely aligned with our core strategy as a SaaS provider, focusing on practical and realistic actions that reflect the company's current business model and maturity.

The Mercell Tendering and Bidding platform inherently supports sustainability by digitising public procurement processes, reducing paper consumption, and promoting transparency and efficiency. Mercell is also working with our primary cloud provider, AWS, to monitor, report, and gradually reduce indirect emissions (Scope 3) associated with cloud hosting.

Data security and regulatory compliance are other critical areas. Mercell reinforces adherence to standards such as GDPR, ISAE 3000, ISAE 3402, and SOC2 to ensure robust data protection and transparency, which are key sustainability concerns in our sector.

Internally, Mercell emphasises employee engagement, well-being, diversity, and inclusion through clear policies and continuous initiatives, recognising that our workforce is a central stakeholder in sustainability.

Mercell is considering several sustainability-related projects. These include expanding our emissions tracking and reporting capabilities, further embedding sustainability criteria into our Tendering and Bidding platforms, and developing more transparent internal communication and training on sustainability topics to build awareness and drive action across the organisation.

4.8.8 List of significant ESRS sector:

Technology and Communication (primary sector due to Mercell's SaaS/digital solutions)

4.8.9 Description of inputs and approach to gathering, developing, and securing inputs

Mercell's primary inputs reflect our business model as a SaaS provider focused on digital public procurement. We rely significantly on robust cloud infrastructure, primarily provided by AWS, ensuring reliable, secure, and efficient operations for our platforms. This digital infrastructure underpins our ability to offer safe and transparent procurement solutions aligned with strict compliance and data security requirements (GDPR, ISAE, SOC2). Equally essential to Mercell are our skilled and dedicated employees, whose expertise in software development, procurement processes, compliance, and customer relations enables us to continuously deliver value and innovation to our customers. Ensuring strong employee engagement and diversity is a strategic priority. Mercell actively manages these inputs to maintain our competitive advantage, operational efficiency, and market trust, while aligning with sustainability expectations from stakeholders and regulatory frameworks.

4.8.10 Description of outputs and outcomes for stakeholders

Mercell's SaaS-based procurement solutions deliver clear benefits across key stakeholder groups. Our public-sector customers benefit from streamlined, transparent, and compliant procurement processes, leading to efficiency gains, cost savings, and enhanced public-sector accountability. Suppliers benefit through simplified and transparent access to procurement opportunities, promoting fairness and increased market opportunities. Due to our inherently low-carbon, digital-first business model, investors and shareholders receive long-term value through Mercell's stable growth, strong regulatory compliance, and reduced exposure to environmental and operational risks. Mercell expects further growth through geographic expansion and increased customer adoption of digital procurement solutions. By digitising the procurement value chain, Mercell positively impacts society and the environment by reducing resource use, improving transparency, and supporting sustainable practices across the public procurement ecosystem.

4.8.11 Description of the main features of the value chain and position in the value chain

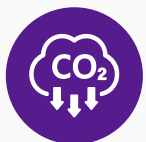
Mercell operates centrally within the public procurement value chain as a SaaS provider, offering digital solutions that connect upstream suppliers and downstream public-sector buyers.

Upstream, our key suppliers include cloud infrastructure providers – primarily AWS – that deliver secure, reliable, and sustainable hosting services essential for platform operations. Additionally, IT service providers and software developers are important suppliers supporting our ongoing development and innovation.

Downstream, Merrell primarily serves public-sector buyers, including municipalities, government agencies, and public authorities that leverage our platform (Merrell Tendering) to achieve efficient, compliant, and transparent procurement processes. Simultaneously, suppliers (businesses offering goods and services to public entities) interact through Merrell Bidding, streamlining their participation in tenders and increasing market accessibility.

Mercell's value is connecting these key actors digitally, enhancing transparency, efficiency, and sustainability throughout the procurement lifecycle. This ultimately benefits end-users such as citizens and communities through more responsible use of public resources.

5 Environmental and Climate performance



5.1 Mercell's business model and inherently low climate impact

Mercell is a Software-as-a-Service (SaaS) provider that delivers digital procurement solutions to public-sector buyers and suppliers. Unlike industries that generate direct emissions through manufacturing, logistics, or other resource-intensive operations, Mercell's core business activities do not involve significant carbon emissions, energy consumption, or direct environmental impacts.

We do not produce, transport, or distribute physical goods, meaning no physical supply chain contributes to GHG emissions. Our Scope 1 and Scope 2 emissions are minimal and less than 1 % of total Scope 3 emissions, as we do not own large office buildings, manufacturing facilities, or vehicle fleets that would result in notable direct or indirect emissions. Regarding Scope 3 emissions, while we rely on third-party cloud service providers such as AWS, our ability to influence their emissions is limited, and we depend on their sustainability commitments and targets.

Given these characteristics of our business model, Mercell's direct climate impact is inherently low, and the risk of causing significant adverse environmental effects remains minimal.



5.2 Regulatory and market considerations

The EU Omnibus Proposal and "Stop the Clock" Directive, which aims to ease sustainability reporting obligations for smaller and medium-sized enterprises such as Mercell, underscores the importance of ensuring that the CSRD framework remains proportionate to a company's impact and industry characteristics. In light of Mercell's business model, our decision to exclude E1 Climate Change from reporting obligations aligns with this principle. The CSRD is grounded in the materiality principle, requiring companies to report only on materially relevant sustainability topics. Since Mercell neither contributes significantly to climate change nor faces substantial climate-related financial risks, it is reasonable to exclude E1 Climate Change from our mandatory disclosures. Furthermore, Mercell may not legally be obligated to report on E1 based on the revised CSRD thresholds, further supporting our position.

While sustainability is an increasingly important consideration for stakeholders, Mercell's public-sector customers and shareholders primarily focus on trust, compliance, and efficiency in procurement. They prioritise ensuring fair, transparent, and well-regulated processes that deliver value to society. Mercell's platform supports sustainable procurement by enabling buyers to incorporate environmental criteria into tenders; however, our emissions are not a significant factor in purchasing decisions. From an investor perspective, ESG concerns for a SaaS company like Mercell tend to centre on business ethics, data security, and regulatory compliance rather than climate-related risks. Although some stakeholders may expect climate-related disclosures, there is no established demand for Mercell to develop specific targets or conduct in-depth climate risk assessments.

By excluding climate change as a key target from our materiality assessment, Mercell prioritises sustainability topics that are more directly relevant and impactful to our business and stakeholders. Our sustainability strategy, aligned with the CSRD framework, will focus on business conduct, emphasising transparency, compliance, and ethical procurement; our workforce, with attention to employee well-being, diversity, and inclusion; and consumers and end users, particularly in the areas of data security and public procurement integrity. This targeted approach ensures that Mercell's sustainability efforts remain meaningful, resource-efficient, and responsive to stakeholder expectations.

This also means that Mercell has decided to postpone setting specific climate targets. At the same time, we recognise the growing importance of climate action and setting targets across industries. We are actively monitoring the evolving practices within our peer group, particularly how other European SaaS companies of similar size and profile are approaching the setting of climate-related objectives. We are also attentive to the expectations and perspectives of our key stakeholders, including our customers and owners, regarding climate strategy and ambitions. Their input plays a crucial role in informing us of our sustainability priorities. Based on these stakeholder considerations, and as business and market conditions evolve, we will continue to assess our position and regularly revisit the question of including Climate Change as a key target and setting concrete climate targets.

Nonetheless, Mercell remains committed to responsible environmental practices and will continue to track and disclose Scope 1, 2, and 3 emissions voluntarily where relevant, such as through integration with Greenly. We also engage with cloud service providers like AWS to monitor and minimise emissions related to our hosting infrastructure. In addition, our platform supports customers in incorporating environmental considerations into their procurement tenders. This voluntary reporting approach promotes transparency while avoiding unnecessary regulatory burden.



5.3 Greenhouse Gas (GHG) emissions inventory

Mercell supports transitioning to a low-carbon and resource-efficient economy to combat climate change and ensure long-term competitiveness. For 2024, Mercell has performed a full greenhouse gas (GHG) emissions assessment for the first time, in line with carbon accounting international standards as standardised by the GHG Protocol. Data is based on a combination of primary data, accounting data, an employee survey, building data, and data received from the AWS Cloud. Based on the input data, Greenly calculated emissions using an official and approved GHG Protocol methodology. The data below summarises the GHG emissions for Mercell Group from January 2024 to December 2024 as presented by Greenly. The results are subject to the completeness, correct categorisation, and validation of accessible data. Going forward, 2024 will constitute the base year for future GHG measurements.

Please see the full Mercell Year 2024 GHG emissions report by Greenly, published at trust.mercell.com or contact Mercell at esg@mercell.com for further information.

Scope 1: Direct emissions:

GHG emissions generated directly by the organisation and its activities. Examples: combustion of fossil fuels, refrigerant leaks, etc.

Scope 2 | Indirect emissions related to energy consumption:

Emissions related to the organisation's consumption of electricity, heat or steam. Examples: electricity consumption, etc.

Scope 3 | Other indirect emissions:

Emissions related to the organisation's upstream and downstream operations and activities. Examples: transportation, purchased goods and services, sold products, etc.



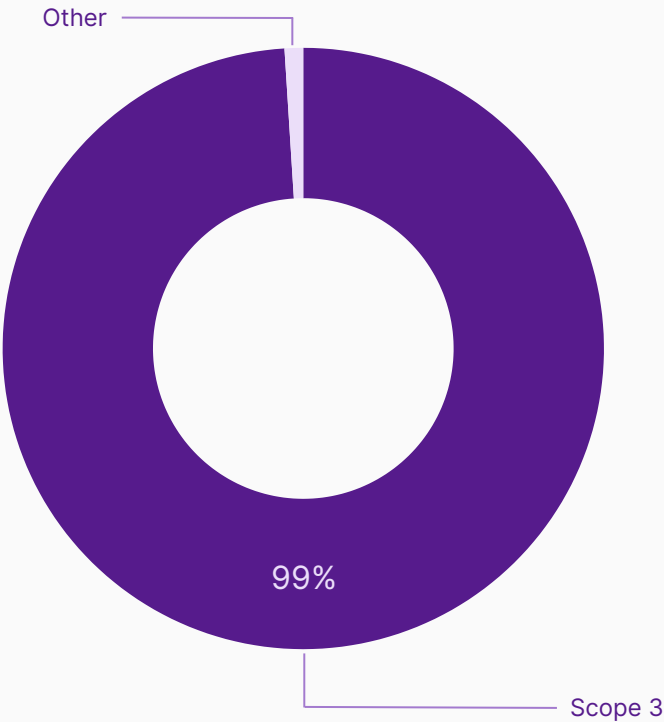
©  Text & picture by Greenly

Total GHG emissions in 2024 for Merzell Group constitute 6.6ktCO₂e (carbon dioxide equivalents), or 21.2tCO₂e/employee and 79tCO₂e/MEUR turnover:

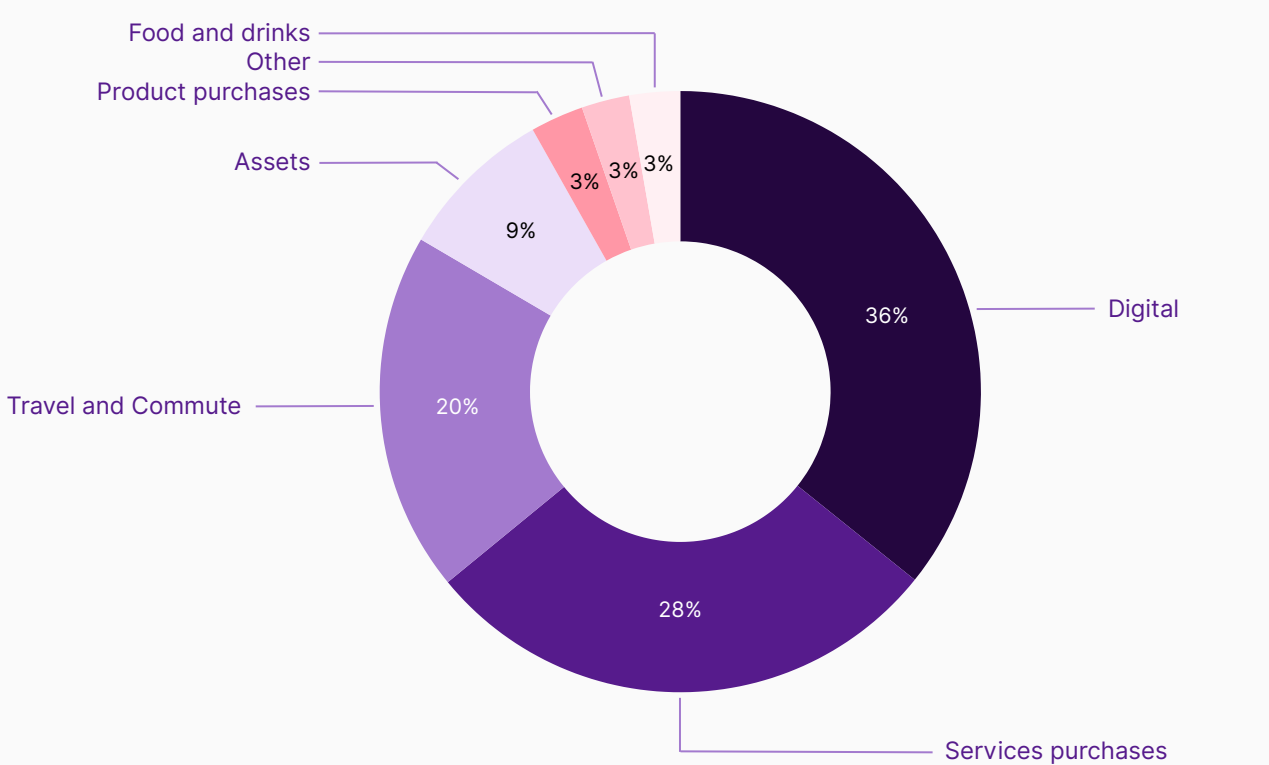
GHG emission assessment result

Scope 1	51tCO ₂ e	0.2t/employee	0.6t/M€
Scope 2	7.7tCO ₂ e	< 0.1t/employee	< 0.1t/M€
Scope 3	6.5ktCO ₂ e	21t/employee	78t/M€
Total	6.6ktCO₂e	21t/employee	79t/M€

As expected from a SaaS company, direct Scope 1 emissions in Merzell are minimal. Also, indirect Scope 2 emissions related to office electricity and heating are very low with the group. As can be seen from the table above, more than 99 % of the emissions in Merzell are indirect Scope 3 emissions:

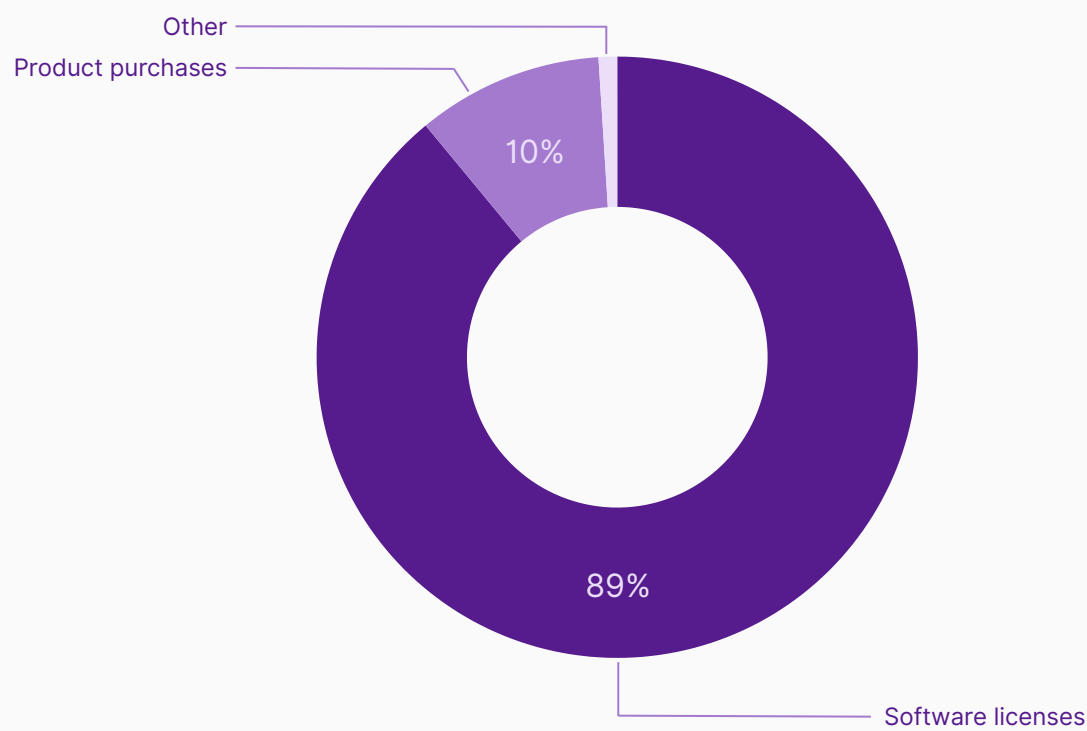


Of the activities, in total, 36 % of the total emissions are related to digital services, 28 % are related to service purchases, and 20 % are related to employee commuting and business travel:

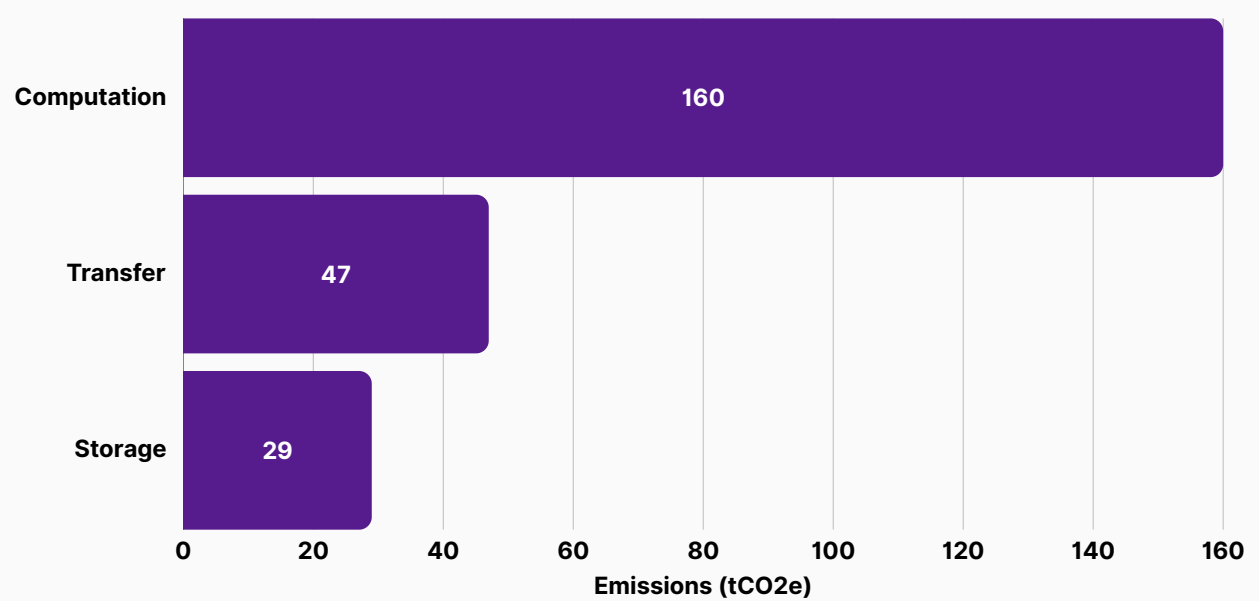


	Absolute tCO2e	Per employee tCO2e/employee
Digital	2.4k	7.5
Services purchases	1.9k	5.9
Travel and Commute	1.3k	4.1
Assets	562	1.8
Product purchases	192	0.6
Food and drinks	173	0.6
Others	183	0.6

This means that almost 2/3 of the GHG emissions related to Merzell's business activities are linked to spending on calculated software licences, software as a service contracts, hosting contracts and ordinary consulting service purchases. All these emissions are calculated using a cost-based estimation. If digital activity emissions are divided by category, in total 89 % of the total emissions (% of tCO2e) are related to software licences, and 10 % are related to cloud storage (hosting), computation (processing), and transfer services:

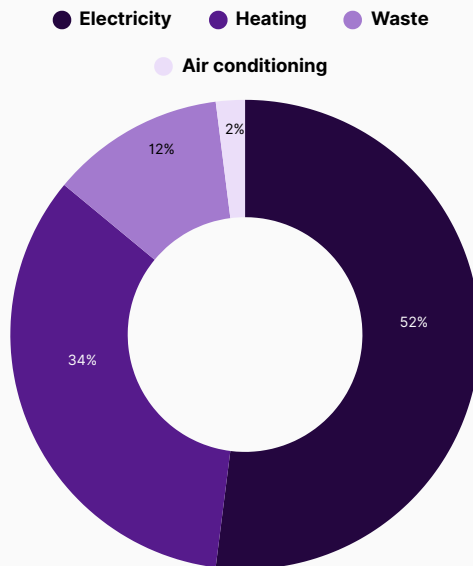


This means that a little above 3 % of Merzell's total GHG emissions are related to AWS Cloud computing, and for cloud services, most emissions are related to computation:

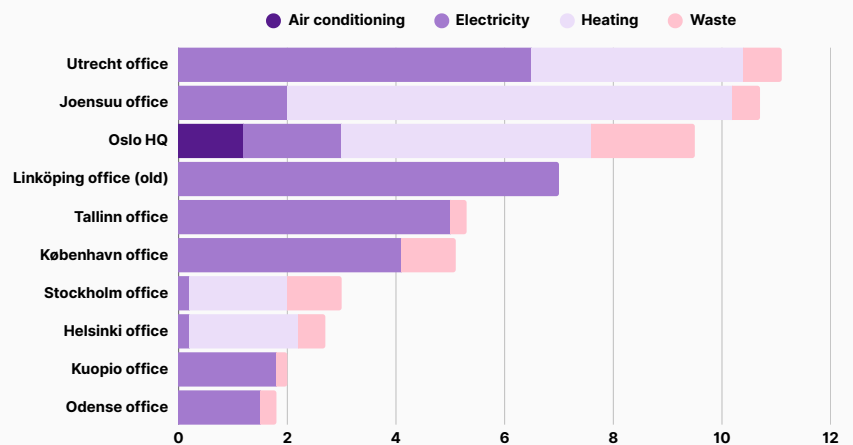


Approximately 1 % of Mercell's total GHG emissions, equal to about 1/3 of the cloud-based emissions, are related to office buildings:

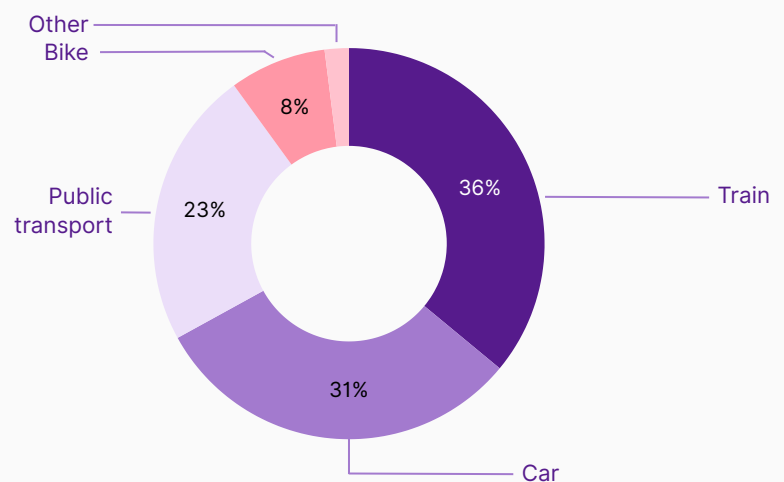
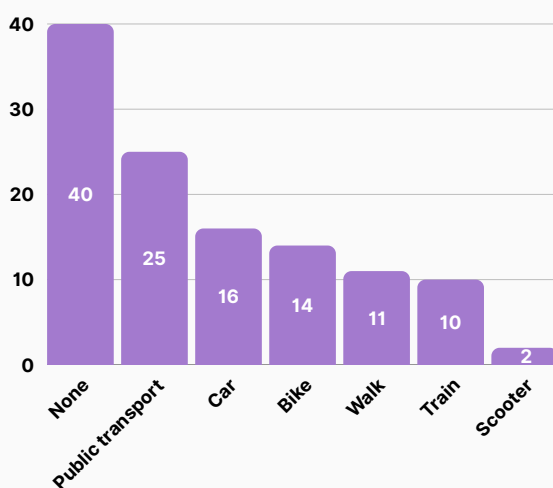
Total emissions per category (tCO2e)



Total emissions per building (tCO2e)



Many employees at Mercell spend most of their work hours in their home offices. Mercell employees travel 2.4k km annually, emitting 137 kgCO2e for home-work commuting. Only 16 % of the employees commute to work by car:





5.4 Environmental progress and forecast

2024 is the first year in which Mercell has performed a complete GHG emission assessment of all activities. Hence, Mercell has no comparable data for 2023.

According to Eurostat, the average GHG emissions per employee in the Nordic area were 15.7t/employed in 2022. With an emission footprint of 21.2t/employed for 2024, Mercell is above expected emission levels per employee. Mercell is a small and streamlined organisation with a high revenue per employee. With GHG emissions based primarily on cost-based estimations, it is unsurprising that a high revenue per employee results in corresponding high emissions per employee. Nevertheless, a key objective for 2025 is to reduce Mercell's GHG emission footprint per employee.

As explained above, Mercell had extraordinary transformation costs related to research and development, external consultants, and other consolidation costs associated with upgrading and transferring customers and customer data from current platforms to the new Mercell Bidding and Tendering platform in 2024. This is also why almost two-thirds of the 2024 GHG emissions in Mercell are related to digital and service purchases.

Even though Mercell's transformation process will continue into 2025, it is expected that Mercell will reduce costs on third-party consultants, hosting, and data transfer. This will correspondingly decrease Mercell's 2025 GHG Scope 3 emissions compared to 2024.

According to the GHG protocol, Mercell mainly has indirect emissions from electricity consumption in office buildings and district heating and cooling (scope 2) and indirect emissions from business travels, data storage, and cloud services (scope 3).



5.5 Sustainable Data Centre practices

Mercell recognises the importance of sustainable data centre operations and prioritises working with our key cloud service providers, AWS, which is committed to reducing its environmental impact. We actively monitor our providers' sustainability initiatives, including their use of renewable energy sources and efforts to improve energy efficiency. We have actively engaged in discussions with AWS to encourage further environmental performance and reporting improvements.



5.6 Enhancing sustainable travel

In our commitment to sustainability and efficient management practices, we will implement a unified travel management tool across all our group entities by 2025. This initiative aims to replace the current decentralised and varied travel booking processes, with some entities relying on local travel agencies and others booking travel independently, by adopting a comprehensive travel agency tool designed for large organisations.

This new travel tool offers various features to promote sustainable travel. It allows us to effectively integrate restrictions into our travel policies, such as limiting air travel to specific destinations in favour of more sustainable options. Through its innovative booking path, the tool enables users to view the carbon footprint of their travel choices and prioritise options based on the lowest carbon emissions, thereby facilitating the most environmentally friendly decisions.

Additionally, the platform enhances our ability to choose sustainable travel alternatives easily. For example, it provides an air-rail comparison tool, presenting alternative rail options alongside air travel for routes in countries including Norway, Spain, Sweden, France, the UK, and the US. This feature supports our efforts to reduce carbon emissions. It aligns with our goals to offer more eco-conscious travel options, like public transport and eco-friendly car rentals, such as hybrid or electric vehicles.

A pivotal aspect of the new travel tool's offerings is its robust capability to manage and track emissions. The tool generates up-to-date data on carbon emissions from air travel, rail, and hotel accommodations, allowing us to create customised reports to monitor and strategise over our carbon footprint effectively. Furthermore, its real-time carbon offset calculator and partnerships with platforms that support verified sustainability projects globally provide avenues for compensating our travel-related emissions.

The tool's consulting services also support our journey towards sustainable travel. They help us identify gaps in our travel program and policies, measure our environmental impact, evaluate supplier partnerships, and enhance traveller awareness regarding sustainability.

By centralising our travel management with this new tool, we streamline administrative processes and reinforce our commitment to environmental stewardship. We align our operational strategies with our core values of sustainability and responsibility.

6 Social and human capital management



6.1 Mercell employee management

At Mercell, we recognise that our employees are fundamental to our success. We are committed to fostering a fair, inclusive, and ethical workplace where employees feel valued, supported, and empowered. Our approach to employee management aligns with ESRS S1 – Own Workforce, covering our policies, engagement processes, remediation mechanisms, and actions to mitigate risks and enhance workforce opportunities.

Mercell should be an attractive workplace, and we are committed to creating and maintaining a good and inclusive working environment that respects labour rights and personal wellbeing. Mercell has implemented comprehensive policies to ensure our employees' well-being, rights, and development. These include our Code of Conduct, which establishes ethical standards, anti-discrimination principles, and expectations for workplace behaviour. Our HR Policies and Employee Handbook offer guidance on fair treatment, equal opportunities, and workplace safety. We also maintain a Whistleblower Policy that allows employees to report ethical concerns confidentially and securely. We support hybrid and remote work models through our Flexible Work Policy to promote work-life balance and employee well-being.

We actively engage with employees to foster an open and collaborative work environment. Regular employee surveys and feedback mechanisms assess job satisfaction, well-being, and areas for improvement. Structured performance reviews and career development discussions enable employees to receive feedback and explore professional growth opportunities. Where applicable, Mercell also engages with employee representatives to ensure that their perspectives are considered in decision-making processes.

To support safe and fair resolution of workplace concerns, Mercell offers several grievance and remediation processes. In addition, our HR Open-Door Policy encourages employees to discuss matters directly with HR or their managers. Formal procedures are in place to handle disputes, misconduct, and workplace grievances transparently and equitably.

Mercell takes proactive measures to enhance employee well-being, mitigate workforce risks, and create growth opportunities. We provide mental health resources and wellness programs to support employee well-being. Our learning and development programs allow Employees to access training, skill-building, and career advancement opportunities. Our workforce planning and retention strategies aim to ensure sustainable talent acquisition and long-term employee engagement.

As part of our sustainability journey, we continuously evaluate and enhance our workforce policies and practices to align with evolving employee expectations, industry standards, and regulatory requirements.



6.2 Overview of Mercell's personnel

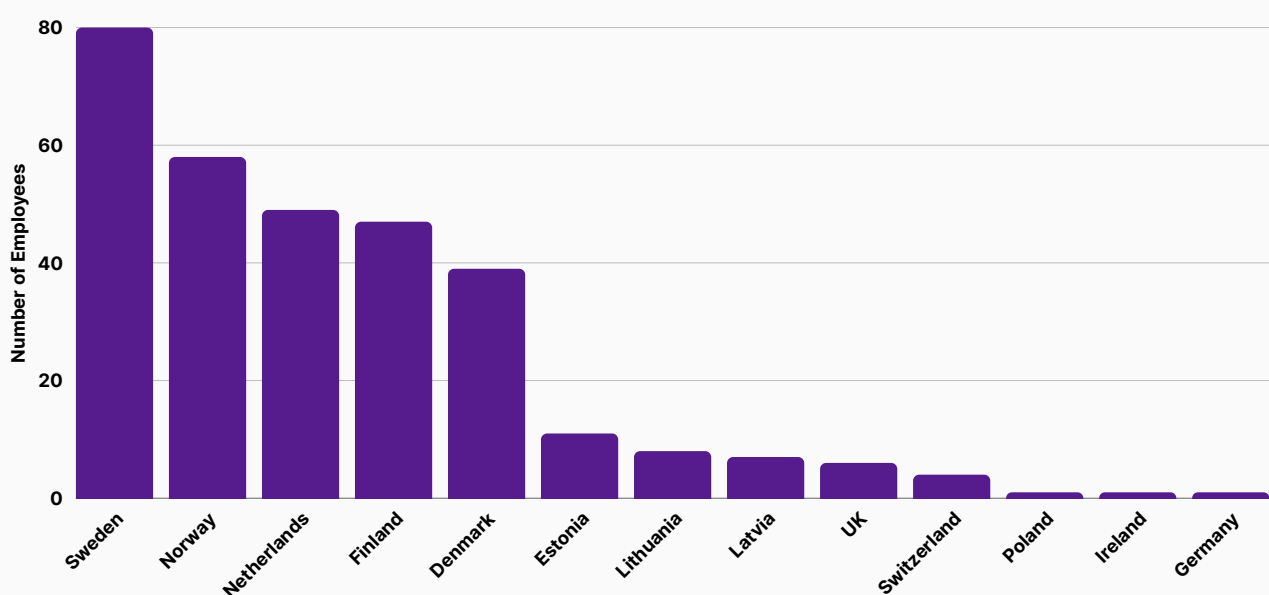
At the end of 2024, Mercell Group employed 314 people across 13 countries. Mercell's workforce consists of professionals with diverse backgrounds who contribute to its strategic goals and business success. As we continue our transformation, we remain committed to fair employment practices, equal opportunities, and fostering an inclusive workplace where employees feel valued and supported.

Workforce composition

As of December 31, 2024, Mercell's workforce was structured as follows:

- Total employees (FTEs): 314
- Full-time employees: 307 (98 %)
- Part-time employees: 7 (2 %)
- Permanent employees: 276 (88 %)
- Temporary employees: 4 (1 %)
- Contractors: 28 (9 %)
- Employees on leave: 5 (2 %)

Geographic distribution of Mercell Employees

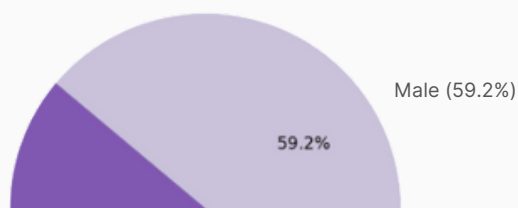


Gender representation

Mercell actively promotes gender diversity across all levels of the organisation.

- Female employees: 128
- Male employees: 186

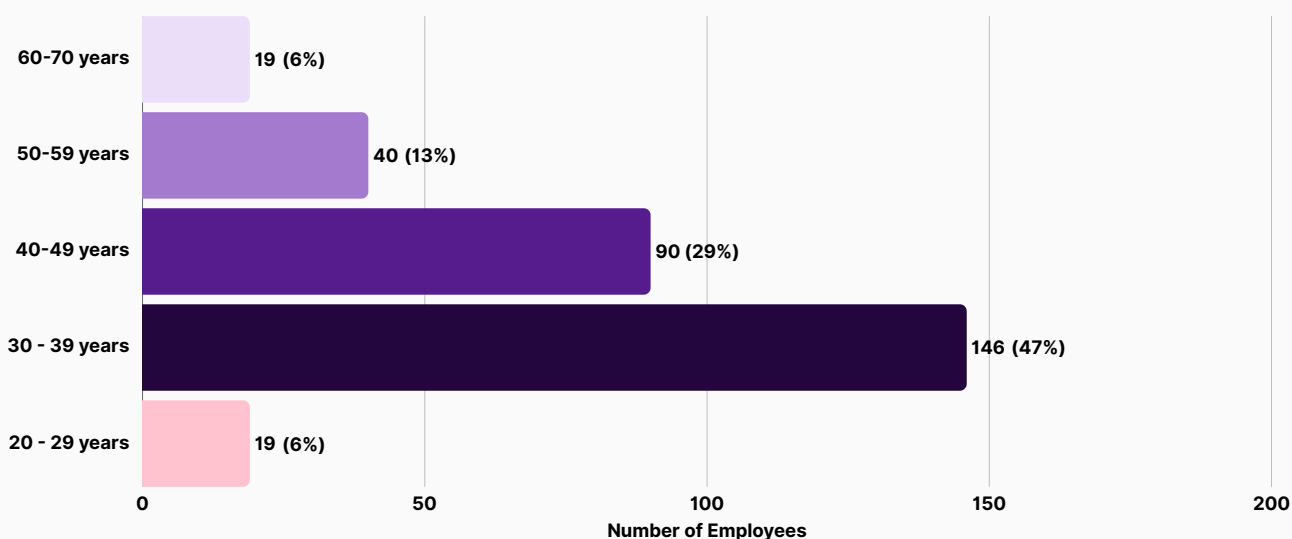
Gender Distribution at Mercell (2023)



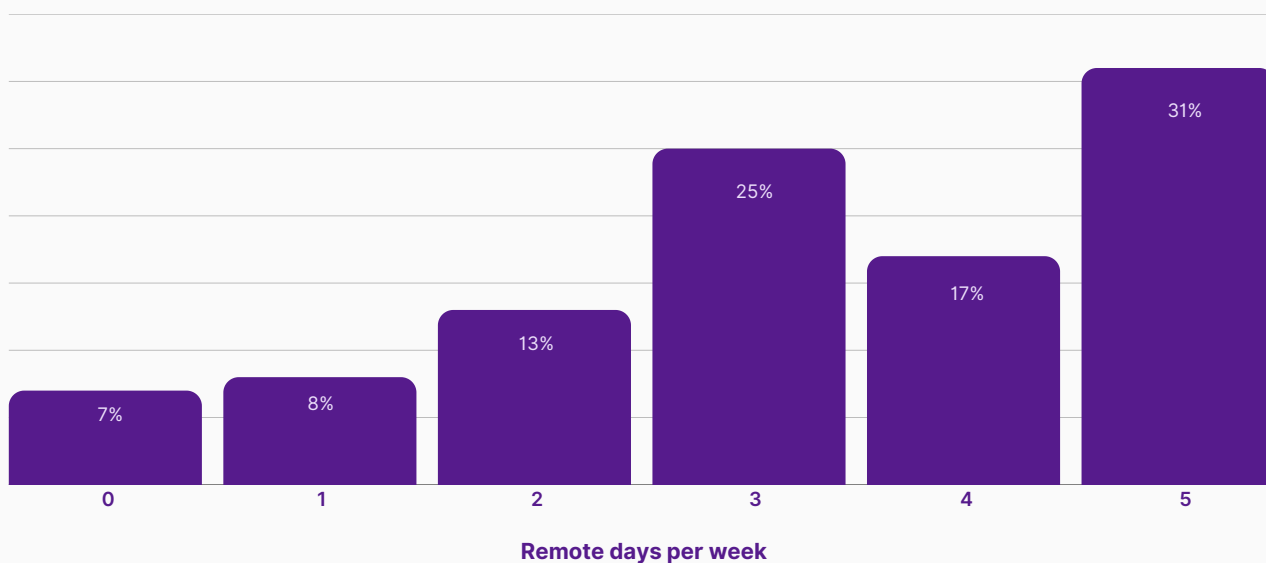
Age demographics

Mercell's workforce spans multiple generations, contributing to a dynamic and diverse workplace.

Age Distribution at Mercell (2024)



Remote work distribution





6.3 2024 Employee engagement and employee engagement survey results

Mercell should be an attractive workplace, and we are committed to creating and maintaining a good and inclusive working environment that respects labour rights and personal well-being. All employees shall treat each other respectfully and understand and deliver feedback and challenges appropriately and respectfully. We do not accept any form of harassment or discrimination, and all entities and suppliers must have a systematic approach to managing Health, Safety, Security, and Environment (HSSE), which aligns with our code of conduct.

Employee engagement remains a key focus area for Mercell as we navigate significant organisational transformation. In September 2024, we conducted our annual Employee Engagement Survey, with a participation rate of 71 %, slightly lower than the 73 % recorded in 2023. The overall engagement score decreased from 3.67 in 2023 to 3.55 in 2024, and the Employee Net Promoter Score (eNPS) declined from -26 to -46. These changes reflect the challenges and uncertainties of large-scale transformation efforts and the adjustments employees have experienced over the past year.

In 2024, we continued our significant transformation, shifting from a country-based structure to a functional organisation. This transition brought substantial operational changes, consolidating platforms, standardising processes, and introducing new technical systems to improve efficiency and automation. While these changes were essential for long-term growth, they also required significant adjustments and employee layoffs across multiple countries, impacting how employees work and collaborate.

Throughout the year, employees had to learn new tools while adjusting to a different way of working, adapting to new workflows, systems, and organisational structures, which created uncertainty for many. The employee engagement survey results reflect these challenges, with lower scores in areas related to job security, career development, and practical training. The transition to a single ERP system and the gradual phase-out of legacy platforms further contributed to a sense of change, requiring employees to learn new tools while adjusting to a different way of working.

Despite these challenges, Mercell remained committed to strengthening engagement and fostering a sense of unity. A key milestone in this effort was the Mercell Co-Create event in February 2024, where all employees gathered in Oslo for a full day of collaboration, knowledge-sharing, and discussions about the company group's future. The event successfully reinforced a shared purpose and allowed employees to connect across teams and functions. At the Co-Create event, Mercell also launched the LearningLab, a structured initiative to support employee development and continuous learning. The LearningLab aimed to equip employees with the skills to navigate the Group's transformation and future growth.

As Mercell continues to evolve, employee engagement remains a priority. The insights from the 2024 survey will guide leadership efforts to enhance career development, improve training effectiveness, and provide greater stability within the new organisational structure.



6.4 Collective Bargaining coverage

Mercell respects and adheres to collective bargaining practices in countries that are applicable and relevant to the employment context.

As of 2024, all employees in Sweden are covered by collective bargaining agreements through Unionen, Akavia, and Sveriges Ingenjörer, under the Commerce sector. However, there is no local union representation within Mercell Sweden, meaning the Group maintains a direct dialogue with central union representatives. This structure ensures compliance but can present practical challenges in day-to-day follow-up and local consultation, particularly in areas that benefit from closer on-site collaboration.

In Norway, Mercell Norge AS became formally bound to a collective agreement with the trade union Negotia as of 1 July 2024, strengthening the formal framework for employee representation in the Norwegian entity.

In Finland, although Mercell is not formally bound to a union agreement, the local company follows the terms of the Collective Agreement for the IT Service Sector. This approach reflects historical practice, as union terms are embedded in existing employment contracts and form part of the established employment expectations for Finnish employees.

In other countries where collective agreements are not in place, Mercell ensures open dialogue and employee involvement through structured internal mechanisms such as Country Councils and the annual employee engagement survey. These tools help ensure that employees have a voice in workplace matters and that local feedback informs broader company decisions.



6.5 Social protection

Mercell complies with social protection requirements in all countries, ensuring that local laws and regulations cover employees. This includes access to statutory benefits such as health care, paid sick leave, parental leave, pension schemes, and unemployment protection, depending on the national systems in place.

While social protection frameworks vary across jurisdictions, Mercell ensures that our employment practices are fully aligned with local statutory obligations.

In several countries, Mercell offers enhanced social protection beyond legal requirements, including higher employer pension contributions, various insurance schemes (such as life, accident, or health insurance), and support for well-being initiatives, such as gym memberships and employee-driven activities.



6.6 Diversity and equal opportunities

Mercell is committed to fostering an inclusive and diverse workplace and ensuring all employees feel valued and respected. Our approach to diversity and equal opportunities is embedded in Mercell's Diversity, Equity, and Inclusion ("DEI") Policy, which promotes fair recruitment, development, and leadership opportunities while maintaining a zero-tolerance stance on discrimination and harassment.

To reinforce inclusivity, Mercell actively celebrated 🇺🇸 International Women's Day, marked 🕌 Ramadan, and launched 🏳️🌈 Pride initiatives at several locations and online, using these moments to educate employees and encourage dialogue on diversity. In addition, seasonal events such as summer gatherings and other social activities have played a role in strengthening workplace inclusion. Many of these efforts are supported by Country Councils, which act as a bridge between group-wide initiatives and local implementation. These councils, comprised of leadership representatives from different geographies, ensure that diversity, well-being, and work environment initiatives are effectively adapted to the local context while also providing feedback to senior leadership through quarterly check-ins with the CHRO.

By embedding diversity initiatives into structured policies and cultural activities, Mercell builds a more inclusive workplace where employees can thrive.



6.7 Health and safety management, injuries, and work-related health

Mercell complies with local health, safety, and environmental (HSE) requirements in all countries of operation. In countries where required, formal health and safety committees (AMU) are in place; in other locations, Country Councils play a key role in addressing work environment topics and adapting initiatives to local needs.

Given that the majority of Mercell's workforce performs office-based work, the occurrence of work-related injuries is very low, and there were no reported fatalities in 2024.

However, the employee engagement survey highlighted challenges related to stress and workload in some areas, and stress-related sick leave cases have been observed in

several countries. Mercell recognises this as an area of concern and will continue to monitor and address mental well-being through local support efforts and structured manager follow-up.



6.8 Sick leave monitoring and follow-up

Mercell provides structured support for employees on long-term sick leave, ensuring they receive the necessary assistance throughout their recovery. Managers and a dedicated HR representative oversee the follow-up process, tailoring it to individual needs while aligning with the Mercell Sick Leave Management Guideline and local country-specific regulations. This approach ensures consistent care, compliance with national labour laws, and a smooth transition back to work when employees are ready.



6.9 Employee training and development

Mercell supports a continuous learning and development culture, enabling employees to build the skills and knowledge needed to navigate a changing business landscape. Learning is an ongoing journey, embedded in day-to-day work, with development efforts aligned to business priorities and individual roles.

To ensure that our workforce remains prepared for future challenges and opportunities, Mercell conducts regular skills gap analyses. We assess evolving industry trends, technological advancements, and business needs to identify potential gaps in employee skill sets. We also encourage continuous learning and professional development through mentorship programs and access to online learning resources.

The Mercell Learning Policy was launched in 2024, following the introduction of the LearningLab at the Co-Create event. Initially, LearningLab focused on developing leadership and management capabilities. As part of this effort, a broad selection of digital courses was made available to all employees through OpenSesame. Topics included giving and receiving feedback, productivity and time management, harassment prevention, communication and collaboration, difficult conversations, and creating inclusive workplaces. These resources support everyday performance, build core skills, and promote an inclusive and effective work environment.

In parallel, more targeted learning efforts have taken place within business areas. While technical upskilling is managed within departments, with direct managers guiding employees through Growth Conversations, company-wide training efforts have focused on strategic sales development, platform transition, and knowledge-sharing initiatives. In the Revenue organisation, a structured program for quota carriers was introduced to enhance sales skills, and a centralised knowledge base was launched to improve access to sales-

related information. Additionally, cross-functional training was carried out in Product, Technology, Customer Office, and Revenue, supporting employees in adapting to the transition to Mercell's new platform.

Regular knowledge-sharing forums have been established to complement these training efforts and promote ongoing organisational learning. Town hall meetings keep all employees informed on strategic developments. In contrast, Elevate meetings in the Customer Office and Boost meetings in Revenue provide targeted learning opportunities and operational alignment within their respective areas.

The LearningLab will remain an essential enabler as we continue our transformation, helping employees build the skills and confidence needed to succeed in a dynamic and evolving environment.



6.10 Health and safety

Mercell remains committed to providing a safe and supportive work environment. As we continue our transformation journey, employees have experienced changes in workflows, structures, and expectations. The annual employee engagement survey reflects strengths and areas for improvement.

Employee feedback indicates that workspaces at home and in the office generally meet employees' needs, ensuring a suitable environment for practical work.

Sick leave management is handled locally, with managers and HR providing structured follow-up for employees on long-term sick leave. This approach, guided by the Mercell Sick Leave Management Guideline, ensures compliance with country-specific regulations and provides employees with necessary support.

Health and safety measures are implemented locally, with Country Councils playing a key role in workplace well-being efforts. These councils help ensure that health and safety policies align with country-specific requirements while facilitating discussions on workplace conditions and employee support.

As Mercell continues to evolve, health and safety will remain a priority. Efforts are ongoing to assess and adopt measures to meet the needs of employees across different locations.



6.11 Work-life balance

Mercell recognises the importance of work-life balance in maintaining a productive and engaged workforce. The Group's hybrid work model, which allows employees to work from home while maintaining in-person collaboration when needed, is highly valued. Feedback from the annual employee engagement survey shows that employees generally feel they can balance work and personal life (3.71). However, perceptions of Mercell's role in promoting work-life balance (3.26) indicate room for improvement.

To support employee well-being, gym memberships and employee-driven activities are available in most locations, encouraging physical activity and social engagement. Regular town halls, leadership communication, and team meetings help employees stay connected and informed, ensuring alignment with business goals. The Country Councils play an essential role in adapting workplace initiatives to local needs, ensuring that well-being and work-life balance remain in focus across different regions.

Looking ahead to 2025, Mercell's primary focus will be on learning and professional growth, equipping employees with the skills and knowledge to thrive in their roles. This includes helping employees prioritise tasks effectively and utilise modern tools to enhance efficiency, ultimately supporting a more balanced and sustainable work experience.



6.12 Compensation, pay equity and fair wages

Mercell is committed to ensuring fair and equitable compensation practices across the organisation. Salaries are set based on market benchmarks, performance evaluations, and structured salary reviews, ensuring that employees are compensated fairly for their roles and contributions. Mercell uses Sysarb, a leading external tool for pay transparency and equity audits, to further support pay equity, allowing for a systematic approach to identifying and addressing pay gaps.

In 2024, salary adjustments and pay equity measures were implemented using dedicated budgets, with adjustments made based on the annual pay equity analysis findings. While progress was made in narrowing identified gaps, not all discrepancies could be resolved within one cycle. The work to close remaining gaps will continue in the coming years, with annual pay reviews ensuring that salaries remain competitive and aligned with internal benchmarks.

Some of the existing pay gaps stem from historical factors, particularly following Mercell's acquisition of multiple companies over the years. These legacy differences are gradually being addressed as part of the organisation's ongoing harmonisation of salary structures. The same structured salary review process used in 2024 will be followed in 2025, reinforcing Mercell's commitment to moving in the right direction toward full pay equity.

Mercell ensures that all employees receive wages in line with or above applicable national minimum wage requirements. Compensation practices are aligned with local regulations to support fair and compliant employment conditions across all countries of operation. As Mercell has a low climate footprint, no employees' sustainability KPIs impact their compensation.



6.13 Social dialogue

Mercell promotes a culture of open and inclusive dialogue across all levels of the organisation. Social dialogue takes different forms depending on the local context, ranging from formal representation structures to informal, tech-enabled communication channels.

Health and safety committees are in place in several countries per national requirements. These forums are structured arenas for discussing workplace safety and employee well-being, often involving employer and employee representatives. They allow employees to contribute to decisions that affect their work environment.

Where formal union structures are absent, Mercell emphasises structured internal dialogue, notably through Country Councils. These councils are made up of local leaders who meet regularly and connect with the CHRO quarterly to raise local matters, share feedback, and support the implementation of group-wide initiatives.

Mercell also enables continuous, informal dialogue through platforms such as Slack, which is used company-wide. Employees can engage in open conversation through dedicated channels such as #company-wide, #general, and #random, and are encouraged to create additional topic-specific or interest-based channels as needed. This supports transparency and connection, allowing real-time input, collaboration, and community building across teams and geographies.

Finally, the annual employee engagement survey remains a core part of Mercell's approach to listening to employee perspectives. The results guide leadership decisions and local actions, and are followed up through leadership workshops and team-level discussions.

Mercell ensures that employee voices are heard, valued, and integrated into the organisation's development through formal mechanisms, local structures, digital tools, and feedback channels.

No significant incidents, complaints, or human rights impacts have been registered in 2024.



6.14 Grievance mechanisms

Mercell has established a clear and structured approach for employees to raise concerns through the Disciplinary Actions, Grievances, and Terminations Policy, available on our internal page on Confluence. This policy ensures that grievances are handled fairly, confidentially, and in line with local labour laws.

Employees are encouraged to first raise concerns informally with their direct manager, fostering open communication and early resolution. If the issue is unresolved, it can be formally submitted to HR, who will conduct an impartial investigation. A formal meeting is held to discuss findings, and the outcome is communicated in writing to the employee.

The process is built on principles of fairness, transparency, confidentiality, and timeliness, with employees having the right to representation throughout. This structured mechanism reinforces Mercell's commitment to a respectful and supportive work environment and aligns with the values outlined in the Code of Conduct.



6.15 Channels for workers to raise concerns

In addition to internal reporting of concerns procedures, Mercell has a dedicated whistleblower system to ensure that employees and third parties can safely raise concerns about misconduct. Reports can be made for employees and contractors via the secure external portal mercell.integrityline.com. See the [Whistleblowing](#) section below for further information.

7 Governance and ethical business conduct



7.1 Governance framework

Mercell considers good corporate governance a prerequisite for value creation and trustworthiness. To secure strong and sustainable corporate governance, Mercell must ensure good and healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across the Group.

The legal entities in Mercell Group ("**Mercell Group**") were acquired by Spring Group and "Discovery" PE funds managed by Thoma Bravo in July 2022. All Thoma Bravo Private Equity ("**PE**") Funds are ultimately managed by Thoma Bravo L.P. The indirect owners of Mercell are still the investors in the PE funds. None of the PE Funds indirectly controlling Mercell Group are based in the United States, and Mercell is a fully European Group of companies. No individual investor in the PE Funds owns or controls, individually or on an aggregate basis, a partnership interest of 10 per cent or greater in the Private Equity Funds. This also means no natural person directly or indirectly owns or controls more than 10 per cent of Mercell Group. Hence, Mercell Group has no natural person qualifying as an Ultimate Beneficial Owner ("**UBO**").

Mercell Group is functionally organised across legal entities and countries. Its functions are Sales and Marketing, Customer Office, Product and Technology, Human Resources and Communications, and the CFO Organisation. All functions have a chief officer reporting to the Chief Executive Officer and a seat in the ELT.


Most operations, all assets, and all employees in Mercell Group are based in several limited liability companies established in the European Union ("**EU**"), the European Economic Area ("**EEA**"), and the United Kingdom ("**UK**"). Mercell Group headquarters are based in Oslo, Norway.

Mercell's management comprises a three-tier structure consisting of the Board of Directors, the Operational Reviews, and the Executive Leadership Team ("**ELT**"). As per Q2 2025, Mercell ELT consists of;




Terje Wibe 
Chief Executive Officer




Guro Becker 
Chief Human Resources
Officer




Kjetil Haukås 
Chief Financial Officer



Patrick Adams 
Chief Revenue Officer



Ibrahim En-nali 
Chief Technology and
Product Officer

The shareholders appoint the Board of Directors and supervise the work of the ELT. It is responsible for the overall and strategic management and proper organisation of Merzell Group's activities. The ELT is responsible for Merzell Group's day-to-day management. The division of responsibility between the Board of Directors and the ELT is set out in the adopted Rules of Procedures for the Board of Directors.

The Board of Directors currently consists of eight members and meets monthly. It has established three committees: an Audit Committee, a Compensation Committee, and a Cyber Committee. The tasks of each committee are defined in established Committee Charters approved by the Board of Directors.

Operational Review meetings are held monthly. The agenda includes reporting from the CEO and status reporting from the CEO and ELT. The board of Directors, the Merzell Group ELT, and anyone invited by the Board or the ELT attend operational reviews.

Merzell Group ELT shall ensure that formal decisions from the Group Board of Directors and Operational Reviews are implemented in Merzell Group operations.



7.2 Sustainability oversight and responsibilities

7.2.1 Role of administrative, management, and supervisory bodies related to business conduct

Mercell's administrative, management, and supervisory bodies collectively possess extensive expertise relevant to our core operational areas. Our leadership team has substantial experience in technology-driven public procurement, SaaS delivery, and digital transformation, coupled with a deep understanding of the complex regulatory and operational landscape of public-sector procurement across Europe.

Members of the Executive Leadership Team contribute specialised knowledge in software development, cloud technology, data security, compliance (including adherence to GDPR), and digital innovation. This expertise supports strategic oversight and ensures the robust management of our core platform, the Merzell Tender Platform (MTP). Furthermore, the management and supervisory teams include individuals with broad operational experience and in-depth knowledge of local markets in our primary geographies, including Norway, Sweden, Denmark, Finland, the Netherlands, and Germany.

Mercell's sustainability governance structure ensures adequate oversight, strategic decision-making, and accountability in advancing our ESG objectives. Governance responsibilities are delineated across several layers.

- The Board of Directors holds responsibility for strategic oversight of ESG initiatives and approves relevant sustainability disclosures.
- The Executive Leadership Team ensures that sustainability considerations are embedded in our corporate strategy and risk management framework.
- A dedicated Sustainability Committee, composed of senior representatives from various departments, monitors compliance with sustainability regulations, oversees ESG data collection, and implements company-wide sustainability policies.
- The cross-functional ESG Working Group manages day-to-day sustainability initiatives, tracks data, and engages with key stakeholders.
- Merzell cooperates with Thoma Bravo on Climate 101 initiatives, ESG Surveys, and reporting.
- The Group Legal and Compliance Director and the L&C team oversee day-to-day compliance throughout Merzell Group.

The decision-making process on sustainability matters involves regular discussions by the Board of Directors, with ESG progress and risk assessments formally reviewed at least once yearly. Sustainability-related risks and opportunities are fully integrated into our enterprise risk management processes, ensuring ESG factors are embedded in financial and strategic planning. In addition, ESG performance metrics are directly linked to executive incentives, reinforcing accountability and driving progress toward Merzell's sustainability goals.

7.2.2 Expertise of administrative, management, and supervisory bodies on business conduct matters

Mercell's administrative, management, and supervisory bodies have a solid and growing understanding of ethical business conduct, supported by structured internal processes and access to relevant expertise.

While not all members have formal training in sustainability or compliance, the Board and senior management team regularly engage with topics such as ethics, anti-corruption, data privacy, and responsible business practices as part of strategic and risk discussions.

The Group Legal and Compliance Director (GLCD) provides subject matter guidance on legal and ethical risks, ensuring management and the Board stay informed on developments that could affect Mercell's operations and stakeholder trust.

All employees, including management, must complete mandatory training on the Code of Conduct and compliance topics. These programs are updated regularly and include modules on ethical decision-making, privacy, and business integrity.

Leadership development programs and internal discussions help embed Mercell's values – Growth, Curiosity, Courage, and Trust – into day-to-day decisions, shaping an ethical and responsible culture.

This level of expertise allows Mercell's governance bodies to effectively oversee risks and opportunities related to business conduct, including compliance with applicable laws, expectations from public sector clients, and evolving ESG requirements.



7.3 Responsible business conduct and group policy commitments

7.3.1 Overview of policies

All Mercell's activities must comply with legal requirements and pertinent international conventions governing responsible business conduct. Our steadfast commitment to responsible business practices and ethical conduct is enshrined in the Group Code of Conduct, which applies universally to all employees and business associates within our organisation.

7.3.2 Mercell Code of Conduct

The Mercell Code of Conduct is a cornerstone policy outlining our expectations for ethical behaviour and compliance across all our operations. It covers various topics, including anti-corruption, competition law, data privacy, leadership conduct, and the responsibilities of employees and third parties acting on Mercell's behalf. Compliance with the Code is

monitored through mandatory training, whistleblower reporting mechanisms, and leadership reviews.

The policy scope applies to all employees, contractors, consultants, and third-party agents representing Mercell across every country we operate.

The Chief Executive Officer (CEO) is ultimately accountable for implementing the policy, while operational responsibility is assigned to the Group Legal and Compliance Director (GLCD).

The Code is aligned with key international standards and frameworks, including the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO core conventions, and the Norwegian Transparency Act, ensuring that it reflects global best practices and national legal requirements.

The interests of key stakeholders were considered during the development of the Code through internal consultation with teams from Human Resources, Legal, and Group Management, and by integrating widely accepted international norms and public sector expectations.

The policy is made available to affected stakeholders via multiple channels. It is published on the employee intranet, introduced during onboarding and training sessions, and distributed to contractors and other relevant third parties to ensure comprehensive awareness and application.

7.3.3 Mercell Supplier Code of Conduct

Mercell's Supplier Code of Conduct outlines the ethical standards and compliance expectations for all suppliers, contractors, and vendors engaged in our procurement and value chain. The policy focuses on key principles such as anti-corruption, human rights protection, fair labour practices, compliance with applicable laws, and data privacy.

The policy scope includes all direct suppliers, contractors, and vendors operating within Mercell's procurement processes and broader value chain relationships.

The Group Legal and Compliance Director (GLCD) implements and oversees the policy, working closely with the Procurement function.

The Code is aligned with internationally recognised standards and legal frameworks, particularly the UN Global Compact and the Norwegian Transparency Act, ensuring it reflects current regulatory and ethical expectations.

The policy's development considered the interests of key stakeholders, aligning with customer requirements, public procurement norms, and regulatory standards, reinforcing Mercell's role as a responsible and transparent business partner.

The Supplier Code of Conduct is shared with suppliers during onboarding and contractual engagements. Mercell also plans to publish the policy publicly through our Trust Portal, further enhancing accessibility and transparency.

7.3.4 Reporting Concerns and Whistleblower Procedure (Including Integrity Line)

Mercell's Reporting Concerns and Whistleblower Procedure – including the Integrity Line – provides confidential and secure channels for reporting misconduct. The policy details the process for submitting concerns and how reports are investigated, and it affirms a strict non-retaliation commitment to protect individuals who come forward in good faith.

The policy scope covers all internal employees and external stakeholders, including partners and suppliers, who can submit reports anonymously through the designated platform.

The policy is overseen by both the Group Legal and Compliance Director (GLCD) and Group HR, ensuring accountability at a senior level.

It is aligned with the EU Directive 2019/1937 on Whistleblower Protection, reflecting Mercell's compliance with European legal requirements and our commitment to ethical business conduct.

The policy was developed with the interests of internal and external stakeholders in mind. It provides a safe and accessible mechanism for raising concerns, reinforcing our transparency, trust, and accountability culture.

The procedure is publicly accessible via mercell.integrityline.com, available to employees through the intranet, and included in onboarding materials, ensuring widespread awareness and accessibility.

7.4 Corporate Culture

Mercell fosters a values-driven corporate culture of trust, integrity, responsibility, and high ethical standards. These cultural principles are critical to our business success and guide all employee behaviour across the group.

Vision

Mercell is the leading European provider of public tendering and bidding technology, dedicated to enhancing connectivity between public buyers and suppliers.

Strategy

Mercell makes tenders compliant and easy, while enabling equal opportunity for all suppliers to the public sector. This Mission requires trust and credibility among our customers, authorities, investors, and employees.

Values

Mercell's culture is rooted in high ethical standards, honesty, integrity, and respect for all people. In its business operations, Mercell has zero tolerance for corruption, including bribery, facilitation payments, and trading in influence. Mercell always operates in full compliance with all applicable competition laws and regulations in order to protect free enterprise and fair competition. Also, Mercell shall always combat illegal practices, such as price-fixing, market sharing, output limitation, bid rigging, abuse of market power, and any anti-competitive or monopoly practices.

At Mercell, we are committed to conducting our business responsibly and sustainably and adhering to all relevant laws and regulations. As part of this commitment, Mercell continuously updates its Code of Conduct to reflect evolving ethical standards and societal expectations. These updates ensure that all employees and stakeholders representing Mercell uphold the highest moral and social responsibility standards aligned with our core values.

Mercell participates in the UN Global Compact and supports the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the International Labour Organisation (ILO) core conventions. In addition, Mercell Group complies with the Norwegian Transparency Act ("Åpenhetsloven").

Furthermore, Mercell has recently initiated the implementation of comprehensive group governance principles, underscoring our dedication to fostering a transparent and accountable organisational culture. These principles aim to create an environment where employees are empowered with autonomy, embrace accountability and responsibility, and have the opportunity to influence decisions in alignment with our corporate values.

Corporate culture is actively shaped and discussed by Mercell's leadership team:

- Board and Executive Leadership regularly review cultural and ethical topics, particularly in compliance, risk, and governance. This includes board-level reviews of the Code of Conduct (most recently updated and approved in October 2023).
- The Group Management Team and functional leaders integrate culture-related discussions in monthly leadership meetings, especially those related to ethics, compliance performance, inclusion, and employee engagement.
- Key cultural themes are reinforced through quarterly Town Halls, functional team updates, and internal newsletters.

Core Values and Messages:

Mercell's core values – **Growth, Curiosity, Courage** and **Trust** – form the foundation for our company culture.



These values guide our interactions with colleagues, customers, partners, and society. The Code of Conduct is the foundational document that translates these values into daily behavioural expectations for all employees, contractors, and business partners.

Leadership in action:

Mercell's leadership leads by example, with all leaders expected to:

- Act as role models and promote a culture where it's normal to "do the right thing."
- Ensure all employees understand and follow the Code of Conduct and ethical expectations.
- Create an open and safe environment for raising concerns or asking questions, reinforced through tools like our anonymous Mercell Integrity Line.
- Mandate and monitor participation in compliance and ethics training for all employees.

This behaviour is embedded into leadership expectations and performance reviews to ensure accountability.

Incentives and Tools to Promote Culture:

To encourage active engagement with our corporate culture, Mercell uses the following tools and initiatives:

- Onboarding and annual refreshers will include mandatory ethics, compliance, data privacy, anti-corruption, and competition law training.
- Leadership workshops to reinforce the cultural and ethical dimensions of decision-making.
- Diversity and inclusion initiatives aim to maintain a balanced and inclusive workforce aligned with our commitment to equal opportunity.

- Internal recognition programs (e.g., value-based peer nominations) to reward behaviours that embody our values.
- Communication channels (intranet, Slack, newsletters, ESG portal) that regularly highlight employee stories, initiatives, and cultural reinforcement.
- Ongoing employee engagement surveys and compliance awareness feedback to assess cultural maturity and adjust actions where necessary.

Commitment to investigate business conduct incidents promptly, independently, and objectively:

Mercell Group has implemented additional procedures beyond those required by EU Directive 2019/1937 to promptly, objectively, and independently investigate business conduct incidents, including corruption or bribery.



7.5 Confirmed incidents of corruption or bribery

No incidents of corruption or bribery have been discovered within Merzell Group.

Overview of actions (Business Conduct)

To ensure that no incidents of corruption or bribery occur, Merzell Group has initiated the following Business Conduct (BC) actions;

BC-01 Implementation and Maintenance of Code of Conduct:

Mercell's BC-01 action focuses on the formal implementation and continuous maintenance of the Group's Code of Conduct, ensuring it is consistently applied across all operations. This action includes regular policy updates, training, and communication efforts targeted at all employees and relevant third parties.

The scope of this action includes all Merzell employees, contractors, consultants, and business partners operating across various countries, including Sweden, Norway, Denmark, Finland, the Netherlands, the Baltics states, Germany, and the UK.

The expected outcomes include an improved compliance culture, reduced ethical breaches, and a universal understanding of Merzell's values and legal responsibilities. The policy was initially implemented in 2020, with version 3.0 approved in October 2024. It is scheduled for annual reviews to ensure it remains relevant and practical.

To assess the effectiveness of this action, Merzell tracks mandatory training completion rates, conducts employee surveys, and monitors the number and nature of reported breaches or concerns.

The action is ongoing, fully implemented, and actively maintained. No direct financial resources, operational expenditures (OPEX), or capital expenditures (CAPEX) are currently associated with this action, and therefore, no corresponding financial statement alignment is applicable.

BC-02 – Whistleblower Channel (Merzell Integrity Line):

Merzell's BC-02 action involves the operation and promotion of the Merzell Integrity Line. This anonymous whistleblower portal allows both employees and third-party stakeholders to report potential violations of the Code of Conduct or instances of legal non-compliance.

The scope of this action is global, making the platform accessible to all Merzell employees and external stakeholders across the group, regardless of location.

The expected outcomes include greater transparency, early detection of misconduct, and enhanced stakeholder trust in Merzell's ethical governance. The whistleblower channel was implemented in August 2021 and is now continuously operating.

To assess effectiveness, Merzell monitors the number of reports submitted, response times, resolution rates, and collects anonymous feedback from users to gauge confidence in the system and its utility.

The action is fully operational, with an allocation of 10,000 EUR in current financial resources, which is recorded under Compliance and Legal IT tools/services in the financial statements. No specific figures concerning this action are reported for OPEX or CAPEX – current or projected.

BC-03 – Mandatory Compliance Training Programme

Merzell's BC-03 action involves delivering an annual mandatory compliance training programme to strengthen the organisation's awareness of key legal and ethical standards. The training covers critical areas such as the Code of Conduct, anti-corruption, data privacy, and competition law.

The scope of the programme includes all employees. It is a required component of onboarding for new hires, with annual refresher courses mandated for all staff to maintain an up-to-date understanding of compliance responsibilities.

The expected outcomes of this initiative include stronger employee adherence to ethical standards, enhanced awareness of compliance obligations, and reduced regulatory and legal risk.

The programme has been active since 2021 and is updated annually to reflect evolving laws and company policies. Its effectiveness is tracked using training completion rates, knowledge assessments, and feedback from post-training surveys.

No specific OPEX or CAPEX is reported in relation to this initiative, and it does not directly link to any particular financial statement line items.

BC-04 – Conflict of Interest and Gift Declaration Monitoring:

Mercell's BC-04 action addresses the monitoring and reporting of potential conflicts of interest and the declaration of gifts and hospitality received or offered in a business context. The procedure ensures internal transparency and reinforces ethical conduct in all business relationships.

The scope of this action includes all Mercell employees and any interactions with third parties. Oversight is conducted by the Compliance and Human Resources teams, who are responsible for reviewing declarations and monitoring adherence.

The expected outcome is preventing undue influence in professional dealings and promoting transparency throughout the organisation's business practices.

The monitoring process has been in place since 2020 and was further reinforced in the 2023 update (version 3.0) of the Code of Conduct. The effectiveness of the action is assessed through the number of reviewed declarations, audit outcomes, and ongoing internal monitoring reviews.

The action is fully operational and subject to routine oversight. No financial resources, OPEX, or CAPEX are currently allocated to this initiative, and it does not directly impact the figures in Mercell's financial statements.

BC-05 – Business Partner Expectations and Due Diligence:

Mercell's BC-05 action focuses on communicating our Code of Conduct expectations to business partners and conducting ad-hoc due diligence by the Norwegian Transparency Act (Åpenhetsloven) and international human rights standards.

This action includes suppliers, contractors, and consultants operating within Mercell's extended value chain. It ensures that partners align with Mercell's ethical and legal standards.

The expected outcomes are improved alignment of partner conduct with Mercell's values and reduced reputational and human rights risks associated with third-party relationships.

The initiative has been active since 2022 and was updated to reflect requirements under Åpenhetsloven. Its effectiveness is assessed through partner self-declarations, due diligence audits, and monitoring of incidents or breaches involving business partners.

Progress is ongoing, with a planned expansion to a broader set of partner categories in 2025. No specified financial resources, OPEX, or CAPEX are currently allocated or reported in connection with this action.

8 ESG targets and performance metrics

Mercell is committed to providing regular updates on our ESG performance. Based on that, we prepare and publish this sustainability report yearly. Interim updates and key ESG performance indicators are presented as needed on our website, marketing initiatives, and other communication channels. We welcome stakeholder feedback on our reporting and will strive to improve our transparency and disclosure over time.



Mercell strives to achieve several SDG targets through our environmental, social, and governance (ESG) initiatives. Since 2020, Merzell has participated in the United Nations ([UN](#)) [Global Compact](#). Through such membership, Merzell supports the principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption, and we are committed to pursuing sustainability goals that align with the UN Sustainable Development Goals (SDGs).

UN Global Compact Principles

Our membership in the UN Global Compact is reflected in Merzell's Sustainability Principles, which are available on [merzell.com](#). We expect everyone we do business with to adhere to their Ten Principles.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

UN Sustainable Goals update



SDG 3: Ensure healthy lives and promote well-being for all at all ages

Mercell Group is committed to ensuring health and promoting well-being for all employees at all ages. The Group offers a variety of initiatives to ensure health and well-being in the workplace. For example, in Sweden, exercise initiatives are regularly organised. Mercell also encourages healthy eating and nutrition, with free healthy snacks provided in the office. Additionally, Mercell offers flexible working hours, allowing employees to manage their work-life balance better and reduce stress levels. Mercell also has a Code of Conduct, which encourages employees to treat each other respectfully and create a positive work environment. This policy ensures that everyone feels valued and respected, and helps to create a healthier working environment for all. Finally, Mercell is committed to supporting our employees in the case of illness or injury, with a range of health services and benefits available. Through these initiatives, Mercell is dedicated to ensuring healthy lives and promoting well-being for all our employees at all ages.



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning

Mercell is committed to providing and promoting lifelong learning opportunities for all employees. Mercell provides our employees with access to learning and development initiatives such as online courses, webinars, and seminars to ensure this. In addition, Mercell encourages all employees to pursue professional qualifications, such as certificates or diplomas, to enhance their skills and competencies. Furthermore, Mercell promotes an open and collaborative working environment that encourages employees to share their knowledge, experiences, and ideas. This helps to create a culture of continuous learning and development that contributes to the success of Mercell and our employees.



SDG 5: Achieve gender equality and empower all women and girls

Mercell is committed to achieving gender equality and empowering all female employees. We strive to create an inclusive workplace where our female employees feel supported and respected. We have established several initiatives and policies to ensure gender equality in the workplace, such as flexible working arrangements, equal pay, and access to training and development opportunities. In addition, we have a zero-tolerance policy for any form of discrimination or harassment. We also promote gender diversity in our recruitment and promotion processes to ensure that women have an equal opportunity to progress in their careers. We constantly strive to create an environment where all employees can thrive, regardless of gender.



SDG 7: Renewable energy

Mercell tracks, monitors, and manages their energy consumption for key offices. This includes energy monitoring and analytics, data monitoring, and waste management. Where possible, Mercell chooses renewable energy contracts at its office locations worldwide.



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Mercell promotes sustainable, inclusive, equitable economic growth, full and productive employment, and decent work. Mercell does this by providing software solutions that help businesses increase efficiency, reduce costs, and improve quality. Mercell enables enterprises to expand their operations and better support their employees. Further, Mercell's efforts to support this goal include initiatives to increase employee benefits and secure equal pay for work of equal value. We also strive to focus on improving diversity in the workplace, with initiatives such as encouraging gender balance, cultural background, and inclusive diversity. Mercell also seeks to create a health and safety culture, and it provides functional training programs to ensure that our workforce is up-to-date with the latest industry standards.



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

Mercell provides a platform for governments and companies in the public sector and suppliers on the other side to facilitate public procurement processes and innovate to create a more sustainable world. Mercell's unique position as a marketplace between buyers and sellers results in increased competition that can positively impact innovation. As more companies strive to differentiate themselves through innovative products, processes, and services, they are often forced to outpace their competition and develop new ideas or solutions. Increased competition can positively affect innovation and help businesses create more efficient products, processes, and services. It can also help spur the development of new and improved products, processes, and services, making them more accessible to the general public.



SDG 10: Reduce inequality within and among countries

Mercell is committed to promoting and protecting everybody's right to equal opportunity and treatment, regardless of gender, race, ethnicity, religion, age, disability, sexual orientation, or any other form of discrimination.

Mercell strives to create an inclusive work environment free from discrimination and harassment by ensuring our policies, practices, and processes comply with all applicable laws and regulations. It has implemented various initiatives to provide equal opportunity for all employees, including training programs, flexible working arrangements, and recruiting practices that ensure diversity.

Mercell also works to eliminate inequalities in outcomes by ensuring that our various programs are accessible to all employees, regardless of their background. It also provides protected leave for employees experiencing family or medical emergencies and offers a range of benefits for employees with disabilities.

In addition, Mercell actively promotes appropriate legislation, policies, and actions designed to reduce inequalities of outcome, such as equal pay and anti-discrimination laws.



SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable

By streamlining the public procurement process, Mercell helps ensure that public projects are efficiently funded and completed on time and within budget. This helps create safe and secure environments for people to live and work. Mercell's solutions also help make cities more resilient and sustainable by reducing the resources needed to fund public projects and promoting economic growth. By providing an efficient and cost-effective way to manage public procurement, Mercell helps to make cities safe, resilient, and sustainable.



SDG 12: Ensure sustainable consumption and production patterns

Mercell is a company that provides solutions for public procurement, helping businesses and governments to buy goods and services more innovatively and efficiently. Mercell promotes sustainable consumption and production patterns through its services by making purchases more affordable and efficient. They do this by digitalising the procurement process, making it simpler and faster, and helping businesses and governments save money by reducing waste and increasing efficiency in the procurement process. In addition, Mercell's platform provides transparency into the buying and selling process, making it easier for businesses and governments to identify and select goods and services that meet their sustainability requirements. As a result, Mercell's solutions make it easier for companies and governments to make sustainable purchases, helping to drive a shift towards a more sustainable, circular economy.



SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels

Mercell is committed to promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable, and inclusive institutions at all levels. Mercell's solutions empower public institutions and private companies to efficiently manage public procurement processes and ensure that resources are allocated transparently and fairly. This is done by streamlining procurement processes and providing data-driven insights that facilitate decision-making and monitoring. Mercell's solutions also ensure that public procurement processes are conducted transparently and

are accountable, allowing governments to be held responsible and minimising the potential for corruption. Mercell's solutions also help to improve access to justice for those involved in public procurement, allowing for swift and fair dispute resolution. Ultimately, Mercell's solutions are essential in promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable, and inclusive institutions at all levels.



Responsible supply chain

Mercell Group is committed to reducing our negative impact on the environment, people, and society throughout our value chain. The Group has adopted a Code of Conduct, rooted in the UN Global Compact's ten principles for sustainable development. This requires all suppliers and their sub-suppliers to adhere to applicable laws and standards and our minimum standard of conduct, including respect for labour rights and work environment, not engaging in corruption, fraud, or prohibited business conduct, and working to minimise the negative impact on the environment. All suppliers are expected to take a systematic approach to responsible business conduct and ensure that requirements are integrated into their operations. Compliance with the requirements shall be part of supplier assessments performed before entering into any contract, and the ethical code is communicated to all suppliers and is part of the contractual obligation.

Dialogue with suppliers about challenges faced when meeting the requirements is encouraged, to enable corrective action and improvement. Mercell respects the human rights of anyone associated with our operations, as embedded in the Group Code of Conduct and our commitment to the UN Global Compact. A meaningful way to respect human rights is to secure decent working conditions in the Group and with suppliers.

Suppliers must apply a systematic approach to ensure compliance with applicable labour rights and standards. As a professional software provider, Mercell considers the risks of modern slavery and human trafficking in Mercell's value chain to be low. In line with the upcoming Norwegian Transparency Act, the Group will regularly assess and report risks related to human rights and decent work conditions in our value chain and continue to address these systematically.



Anti-corruption and competition law

The Group Code of Conduct states our zero tolerance for corruption, including bribery, facilitation payments, and trading in influence. All leaders, employees, suppliers, and business associates must adhere to these principles. As a dominant firm, Mercell has a special responsibility not to distort competition and shall play our part in combating illegal practices, such as price-fixing, market sharing, output limitation, or bid rigging, abuse of

market power, and any anti-competitive or monopoly practices, as stated in our ethical codes. The current risk of corruption is relatively low, and no incidents or concerns related to corruption were reported in 2024. The risk of bribery could increase by expanding into geographical areas and acquiring companies with different perceptions and cultures regarding appropriate business conduct. Compliance with laws and regulations is assessed as part of due diligence, and all new entities are familiar with the Group's policy on corruption.



Whistleblowing

Mercell aspires to foster a culture where people feel confident about speaking up. Any employee needing advice on any matter relating to our Code of Conduct or wishing to report a concern is encouraged to speak to their line manager, the Group Legal and Compliance Director, the Trust & Security team, HR or any Mercell Group ELT member. An anonymous whistleblowing portal, mercell.integrityline.com, can be accessed through the website. No reports of critical concern were registered in 2024.

Information about the integrity line is regularly communicated to ensure all employees and other stakeholders know their right and obligation to report concerns.

The channel complies with the EU Whistleblower Directive and guarantees the right to anonymity. Individuals can report via email, phone, in person, or anonymously through the platform. All reports are handled by Compliance and HR only, following Mercell's internal guidelines.



Business conduct metrics and targets

Mercell Group operates only in countries perceived as low-risk by Transparency International's Corruption Perceptions Index 2025. No functions are assessed as high risk, but sales, procurement, and M&A activities are monitored as relatively more exposed due to external interactions. These are mitigated through our Code of Conduct, internal controls, and regular compliance training.

Mercell regularly performs compliance and anti-corruption training with exposed personnel to maintain awareness. All employees are subject to mandatory online training on compliance, IT security, and Phishing. A large share of Mercell's customers are low-risk public authorities. Hence, the overall fraud risk in the Group is deemed low, and no material incidents of corruption, bribery, or unethical business conduct have been reported in 2025.

Mercell is a marketplace matching buyers and suppliers on platforms for e-tendering. The Group's customer base mainly consists of public customers on the buy-side and a wide variety of suppliers on the supply-side of the platforms. Therefore, the level of activity on the platforms depends on public spending levels, which may fluctuate over time. Mercell's revenue is, to a large extent, based on 12-month upfront recurring subscription fees from both buyers and suppliers. The recurring nature of the revenues significantly reduces the risk compared to traditional business models with one-time sales and revenues. However, there is a risk that lower customer activity levels could affect the attractiveness of the platform and our ability to retain existing customers and/or attract new customers.

Changes to EU regulations can impact Mercell's market segment and customer demand. Potential changes to EU regulations are subject to long processes that will allow Mercell time to adopt, thus reducing the possible impact of such changes.

Mercell operates in markets that are highly susceptible to technological developments and new technological solutions within the Group's industry. Such technological developments have resulted in, and likely continue to result in, improvements in platform functions and performance throughout the industry. As a result, Mercell's future success and profitability will depend in part on our ability to improve existing services and solutions, address our customers' increasingly sophisticated needs, anticipate significant changes in technology and industry standards, and respond to technological developments on a timely basis.

Mercell Group is developing a common platform for all markets. The Group has incurred significant expenses for the new platforms' development, implementation, launch, and customer upgrades. The development of the new platform will reduce product risk.

Specific modules of the new platform were completed in 2024, and customers from some of the legacy platforms were upgraded to new versions of current services. This process will continue in 2025, and customers will be upgraded to the latest versions of our services. This will allow Mercell to close down existing platforms and extract operational savings.



Data security and privacy from a Human Rights perspective

Mercell relies heavily on information technology ("IT") systems to achieve our business objectives. The Group relies upon industry-accepted security measures and technology, such as access control systems, to securely maintain confidential and proprietary information on our IT and market-standard virus control systems. Information security controls are periodically tested, internally through internal audits and externally through several ISAE 3000 investigations and ISO 27001 audits.

Mercell Group benefits strongly from technological knowledge from Thoma Bravo's expertise and network within the SaaS industry, which makes the Group well-positioned to utilise technological advances to mitigate IT risks.

As a tech company, Mercell is constantly exposed to external threats associated with data security and is under constant pressure from different external players. There are risks of virus attacks, attempts at hacking, social manipulation, phishing scams, and theft of intellectual property or sensitive information belonging to the Group or our business partners. The Group's portfolio of hardware and software products, solutions, and services, and our enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond our control, such as catastrophic events, power outages, natural disasters, computer system or network failures, cyber-attacks, or other malicious software programs. Management has put in place procedures to manage these risks.

Mercell recognises the fundamental right to data privacy for all individuals and is committed to managing personal data about our staff, customers, suppliers, and business partners professionally, legally, and ethically. Mercell may only process personal data when it has a legal basis for doing so and for legitimate purposes. The processing of personal data shall comply with all the legal principles embedded in the relevant regulation. Thus, the data must be accurate and appropriate for the purpose for which it was collected, protected adequately from inappropriate access or misuse, and deleted once our objective has been fulfilled. When it is to be transferred to third parties, it must be appropriately safeguarded. Non-compliance may cause harm to individuals, fines or litigation, and put Mercell's reputation at risk.

Mercell conducted a GDPR transformation program with the help of independent experts to ensure the highest level of data privacy in our operations across all entities. In this work, Mercell has mapped all activities that include processing personal data and looked at which internal systems handle personal data per Article 30 of GDPR. We constantly work on strengthening our capabilities within the privacy area and continue to implement the privacy tools, templates, and processes.

As such, Mercell ensures compliance with GDPR by implementing robust data protection measures, maintaining transparency in data handling practices, and providing individuals with the right to access, rectify, and delete their personal data. Mercell adheres to strict security protocols, regularly reviews our data processing activities, and enters into appropriate agreements with partners to safeguard personal information in accordance with GDPR requirements.

The Group CEO is responsible for the group's information security and privacy policies, and the Group CTO is responsible for implementation and overseeing adherence. Mercell's supplier code of conduct requires our suppliers to demonstrate high information security. Mercell's main businesses and platforms are certified under the International Standard for Information Security (ISO 27001), and for several of our products, we have either ISAE3000 or ISAE3402 Third Party Assurance reports. We are working towards a group-wide certification strategy to harmonise our certifications and assurance requirements.

In 2024, Mercell did not register any critical privacy breaches that resulted in GDPR fines. Our procedures will assess and handle any incoming privacy incidents continuously throughout 2025.

Mercell Group aims to obtain ISO 27701 Data Privacy Certification in 2025.

Additional information

This CSR report, based on ESRS2, aims to comply with CSRD reporting expectations and serve as the foundation for sustainability disclosures. Adjustments may be needed based on industry-specific factors and evolving regulatory requirements.

Request for further information

Mercell will always strive to be open about our integrity due diligence processes. This includes general information about a particular product or service we offer. If you want further or updated information, please visit our dedicated Mercell Compliance and Security pages at trust.mercell.com.

Also, following EU regulations and the Norwegian Transparency Act, Mercell is committed to transparency. We strive to ensure all stakeholders can access the information they need to make informed decisions. We offer various ways to contact us and request more information to facilitate this.

Our dedicated team is available to answer any questions or provide additional information. You can reach us through our website, email or call customer service. We will treat all inquiries with the utmost respect and consideration and ensure the requested information is timely.

Moreover, we have an open-door policy regarding CSR and ESG reporting. We offer regular updates for stakeholders to review and insights for those who reach out for more information. We are committed to accountability and transparency in our CSR and ESG reporting efforts and welcome any feedback or questions.

For further information, please contact:

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Appendix 1: Detailed description of Status for relevant ESRS Topics

Title	ESRS	Comments
GHG Emissions	E1	<p>Mercell, as a SaaS company, produces greenhouse gas (GHG) emissions primarily through energy consumption in office spaces, cloud-based infrastructure, business travel, and purchased goods and services. While our direct emissions (Scope 1 and 2) are relatively low compared to industries with high energy or material usage, our indirect emissions (Scope 3) – particularly from data centres, employee commuting, and supplier operations – contribute to our overall carbon footprint. Despite our probable limited impact, it is essential for Merzell to actively reduce emissions because: Regulatory Compliance – CSRD and other evolving ESG regulations require companies to track, report, and manage their carbon footprint.</p> <p>Customer and Stakeholder Expectations: Many of our clients, particularly in the public sector, have strong sustainability criteria and expect suppliers to align with environmental goals.</p> <p>Corporate Responsibility: As a digital service provider, Merzell can lead by example in the tech sector by prioritising renewable energy, sustainable procurement, and operational efficiency.</p> <p>Long-Term Business Resilience: Proactively addressing emissions ensures that we stay ahead of climate policies, carbon pricing, and evolving sustainability demands. By improving energy efficiency, increasing reliance on renewable energy, and engaging with suppliers on sustainability, Merzell can reduce our environmental impact while strengthening our market position and long-term sustainability strategy.</p>
Energy Sourcing	E1	<p>Mercell primarily operates in countries with high renewable energy shares, such as Sweden, Norway, Denmark, and the Netherlands, where national grids are predominantly powered by hydropower, wind, and solar energy. Merzell sources electricity through suppliers providing renewable energy where possible. Merzell has limited direct energy consumption as a SaaS company, relying mainly on office spaces and cloud-based data centres, prioritising renewable energy. Given our minimal dependence on fossil fuels, non-renewable energy's financial and environmental risks are low.</p>
High Energy Facilities	E1	<p>Mercell does not own or operate any facilities with high energy demands because our business model is digital-first. We rely primarily on leased office spaces and cloud-based infrastructure rather than energy-intensive data centres or manufacturing sites. Our operations require standard office energy usage, making our overall energy consumption relatively low compared to industries with high power requirements.</p>
Emission-intensive Activities	E1	<p>Mercell, as a SaaS company, does not participate in intensive greenhouse gas emissions activities.</p>
Deforestation & Habitat Destruction	E1	<p>All Merzell operations are based, and we do not contribute to deforestation or the destruction of any habitat.</p>

Title	ESRS	Comments
Unsustainable Agriculture	E1	All Merzell operations are office-based, and we do not have any connection to agricultural practices.
Climate-related Lobbying	E1	Merzell does not engage in any climate-related lobbying activities.
Energy Efficiency	E1	Merzell is committed to improving energy efficiency by optimising office energy use, prioritising sustainable office spaces, and leveraging cloud-based infrastructure providers with strong energy efficiency and carbon neutrality commitments. We aim to reduce energy consumption by implementing innovative office solutions, optimising remote work policies to lower office energy demand, and selecting data centres powered by renewable energy with high efficiency standards.
Energy Consumption	E1	Merzell actively monitors and manages our energy consumption by sourcing electricity from renewable energy suppliers, optimising office usage, and leveraging energy-efficient cloud infrastructure. As a SaaS company, our primary energy consumption comes from office spaces and data centres, where we prioritise low-impact, high-efficiency solutions. Moving forward, we will continue to assess and minimise our energy footprint by evaluating office energy policies, engaging with suppliers on sustainable energy sourcing, and exploring further cloud optimisation strategies.
Climate Resilience	E1	Merzell does not plan to engage in improving resilience to climate change because our business model as a SaaS provider is inherently low-risk in terms of climate-related physical disruptions. Unlike industries with significant exposure to extreme weather events, such as manufacturing, logistics, or agriculture, Merzell operates primarily in digital environments with minimal reliance on physical infrastructure. Our core services are hosted on cloud-based platforms managed by providers implementing robust climate resilience strategies, ensuring service continuity even in extreme conditions. Our geographically distributed operations and remote work capabilities reduce our exposure to localised climate risks.
Renewable Energy	E1	Merzell is committed to increasing our reliance on renewable energy sources by actively pushing and selecting suppliers to prioritise a higher share of renewable energy in their operations. As a SaaS company, our key energy consumption comes from cloud services and office spaces, so our energy providers, cloud infrastructure partners, and office landlords must align with our sustainability goals. We will prioritise partnerships with suppliers demonstrating a strong commitment to renewable energy adoption and actively engage with them to ensure a transition toward cleaner energy sources.
Low-carbon Materials	E1	Merzell does not see a need to increase reliance on low-carbon materials because, as a SaaS company, our operations are primarily digital and do not involve significant material consumption or manufacturing processes. Unlike industries that rely heavily on raw materials, such as construction, manufacturing, or retail, Merzell's environmental impact is not materially linked to physical goods or resource-intensive supply chains. Our primary operational resources are IT equipment, office supplies, and digital infrastructure, with minimal material use. Additionally, we prioritise efficiency and longevity in our hardware procurement to further reduce waste and environmental impact.

Title	ESRS	Comments
Carbon Offsetting	E1	Mercell does not engage in carbon offsetting because our primary focus is reducing emissions at the source rather than compensating for them. As a SaaS company, our direct carbon footprint is already relatively low, and we prioritise energy efficiency, renewable energy sourcing, and sustainable business practices to minimise emissions. Additionally, proactively reducing emissions through operational improvements, such as selecting suppliers with firm sustainability commitments and optimising energy use, is more effective and transparent than relying on offsets.
Paris Agreement Alignment	E1	Mercell's sustainability efforts – such as increasing renewable energy use and improving energy efficiency – broadly align with the Paris Agreement's goals. However, to fully align, Merrell will consider setting a science-based target (SBTi) aligned with a 1.5°C pathway, establishing concrete emissions reduction goals with clear timelines, and engaging more actively in Scope 3 emissions reductions. Merrell, at its core, offers eProcurement services that positively impact the environment, with a primary focus on process digitalisation in the procurement cycle by reducing the consumption of material resources in the procurement process, where everything is digital. Using our digital platform allows the total dematerialisation of the process, annulling the imposition of tenders and consumption of paper and limiting archiving costs. In addition, remote collaboration eliminates the need for physical travel, reducing pollution.
Green Infrastructure Projects	E1	Mercell does not engage in the development of green infrastructure because, as a SaaS company, our business model is entirely digital and does not involve physical infrastructure projects such as buildings, transportation, or energy systems.
Climate change scenario analyses	E1	Mercell does not engage in change scenario analyses because, as a SaaS company, our business model is entirely digital and does not involve physical infrastructure projects such as buildings, transportation, or energy systems.
Investments for the adaptation plan	E1	Mercell does not allocate investments for implementing a climate change adaptation plan because our business model as a SaaS company has low exposure to physical climate risks such as extreme weather events, rising sea levels, or supply chain disruptions. Unlike industries reliant on physical infrastructure, logistics, or resource-intensive operations, Merrell's core digital activities depend primarily on cloud-based services and office spaces, which already incorporate resilience measures through their providers. Our geographically distributed workforce and remote work capabilities reduce operational vulnerabilities to climate-related disruptions.
Business continuity during disruptions	E1	Mercell does not have contingency plans to ensure business continuity during climate change disruptions because we deem such disruptions highly unlikely to impact our operations materially. As a SaaS company, our core business is digital and not dependent on physical supply chains, manufacturing, or logistics, which are typically more vulnerable to climate-related disruptions. Our cloud-based infrastructure providers already implement robust resilience measures, including data redundancy, backup systems, and disaster recovery protocols, ensuring service continuity even in extreme conditions. Additionally, our distributed workforce and remote work capabilities further reduce any dependency on specific locations that could be affected by climate events.

Title	ESRS	Comments
GHG removal methods for offsetting	E1	Merrell does not use GHG removal methods to offset residual emissions because we focus on minimising emissions at the source rather than relying on compensatory measures. As a SaaS company, our direct emissions are already low, and we prioritise reducing our environmental impact through energy efficiency, increased reliance on renewable energy, and sustainable supplier selection. GHG removal methods such as afforestation, soil carbon sequestration, or direct air capture are typically more relevant for industries with high residual emissions that cannot be reduced through operational changes.
Energy management in leased assets	E1	Merrell does not monitor and manage energy consumption in leased assets because we operate primarily in leased office spaces, where property owners or landlords control energy use. As a SaaS company, we do not have direct influence over building-wide energy management systems, making it challenging to implement custom monitoring or efficiency measures. However, we prioritise leasing office spaces in energy-efficient buildings and engage with landlords where possible to encourage the use of renewable energy and sustainability initiatives.
At-risk facilities and operations	E1	Merrell does not have assets or operations vulnerable to chronic climatic hazards because our business model is digital-first and does not rely on physical infrastructure, manufacturing, or logistics, which are typically at risk from long-term climate impacts such as rising temperatures, sea level rise, or prolonged droughts. Our primary operations involve cloud-based services and leased office spaces, which are not materially affected by slow-onset climate change. Additionally, our geographically distributed workforce and remote work capabilities further reduce dependency on specific locations that could be exposed to chronic climate risks. Given our low reliance on climate-sensitive infrastructure, chronic climatic hazards do not pose a material risk to Merrell under CSRD.
Stable weather conditions	E1	Merrell does not have assets or operations vulnerable to acute climate hazards because our business is digital and does not depend on physical infrastructure, manufacturing, or logistics that could be directly impacted by extreme weather events such as storms, floods, or heat waves. Our cloud-based services and remote work capabilities minimise exposure to location-specific climate disruptions. Our data centre and office space providers also implement their resilience measures, ensuring operational continuity. Given this low exposure, acute climate hazards do not pose a material risk to Merrell under CSRD.
Non-Renewable Energy	E1	Merrell does not rely on non-renewable energy sources because our operations are based in countries with high renewable energy shares. We prioritise leasing office spaces and using cloud services powered by renewable electricity. Our key energy consumption comes from office use and digital infrastructure, and we actively select suppliers and service providers that emphasise renewable energy adoption.

Title	ESRS	Comments
Renewable Energy	E1	Mercell uses renewable energy sources to a limited extent, primarily through the energy mix of the national grids in the countries where we operate. In the Nordics, most electricity comes from hydropower, wind, and geothermal energy, which powers our leased office spaces and cloud-based services. However, since we do not directly control energy production, our reliance on renewables depends on local energy markets and the sustainability commitments of our office providers and cloud partners. While we benefit from access to cleaner energy sources, we continue to explore ways to increase our share of renewables in collaboration with suppliers and service providers.
Vulnerable Energy Supply	E1	Mercell does not rely on activities with a high carbon footprint. Our operations are digital-first, and we are not involved in manufacturing, heavy industry, or logistics, which are typically carbon-intensive. Our primary emissions come from office energy use, cloud services, and business travel, all of which have a relatively low environmental impact compared to high-emission industries.
Vulnerable Infrastructure	E1	Mercell does not have vulnerable infrastructure. We operate a digital-first business model without reliance on physical assets such as factories, transport networks, or energy-intensive facilities. Our core operations are based in leased office spaces and cloud-based services managed by third-party providers with their own resilience measures. As a result, Mercell is not concerned about climate-related vulnerabilities to infrastructure.
Carbon-Intense Activities	E1	Mercell is not involved in carbon-intensive pricing mechanisms as our business operates in the SaaS sector, which does not engage in activities subject to carbon taxes, emissions trading schemes, or fossil fuel-related cost structures. Our operations rely primarily on digital services and office spaces, making exposure to carbon pricing mechanisms minimal or non-existent.
Pollution	E2	Mercell does not generate significant waste or face pollution risks as our business is fully digital, without involvement in manufacturing, industrial processes, or physical product distribution. Our primary sources of waste are office-related materials and IT equipment, which are minimal and managed through standard recycling and responsible procurement practices. Given the low environmental impact of our operations, waste generation and pollution risks are not deemed material under CSRD. However, we remain committed to sustainable business practices, such as reducing office waste and optimising IT asset management.
Air Pollution from Transport	E2	Mercell has a few company cars that will be divested.
Electronic Waste	E2	Mercell acknowledges that electronic waste (e-waste) is a relevant environmental consideration due to the IT equipment used by our employees, such as laptops, monitors, and mobile devices. However, our impact is limited as we do not produce or distribute hardware; we rely on standard office equipment with long usage cycles. To mitigate our footprint, we ensure that retired IT equipment is responsibly recycled or refurbished through external recycling partners, aligning with circular economy principles. While e-waste is not a material issue for Mercell, we remain committed to responsible disposal and sustainable procurement practices.

Title	ESRS	Comments
Water and marine resources	E3	<p>Mercell does not consume water or marine resources, face risks associated with water stress or scarcity, or have opportunities for more sustainable water use practices, as our business is entirely digital and operates in office environments with minimal water usage. Unlike industries such as manufacturing, agriculture, or energy production, our operations do not require significant water input, nor do they generate wastewater beyond standard office use. Given this low dependency on water resources, water consumption and related risks are not deemed material for Mercell under CSRD.</p>
Biodiversity and Ecosystems	E4	<p>Mercell does not rely on natural resources, manage any land or habitats, face risks from nature degradation, or have opportunities to support healthy ecosystems. Our digital business operates in leased office spaces without physical production or resource extraction. Unlike industries such as agriculture, forestry, or manufacturing, our activities do not impact land use, biodiversity, or ecosystems. Given this lack of direct interaction with natural environments, these factors are not deemed material for Mercell under CSRD.</p>
Resources and circular economy	E5	<p>Mercell does not consider Resources and Circular Economy a material area because our business operations are entirely digital and do not involve significant resource consumption, waste generation, or reliance on physical materials. As a SaaS company, our activities are not linked to manufacturing, industrial processes, or material-intensive supply chains, which are typically the primary focus of circular economy considerations. Solid and Liquid Waste Generation Mercell's waste generation is minimal and primarily limited to office waste, such as paper, packaging, and general consumables, managed through standard recycling programs. Electronic waste (e-waste) from IT equipment (e.g., laptops, monitors, and peripherals) is responsibly recycled by an external IT asset disposal partner to ensure proper handling. No industrial, hazardous, or liquid waste is produced in our operations. Use of Recycled Materials Mercell does not use raw materials in our core business, meaning there is no direct reliance on recycled or virgin materials. Where possible, we encourage responsible IT procurement, including selecting energy-efficient and durable devices to extend their lifespan before replacement, and opportunities for Circular Economy Practices. While Mercell supports responsible waste disposal (e.g., e-waste recycling), our business model does not present significant opportunities for circular economy integration in a way that would justify materiality under ESRS E5. Circular economy strategies are most relevant for industries with physical production, high material usage, or significant waste streams, none of which apply to Mercell's operations. Additional Context for Materiality Assessment Scale and Scope: The potential impact of Mercell's activities on resource consumption and waste management is minimal, as our operations do not rely on material inputs. Remediability: Any waste generated (primarily e-waste and office waste) is managed through existing recycling and disposal mechanisms, leaving little room for significant impact reduction. Timeframe: The limited relevance of circular economy concerns has been consistent and ongoing, as our operations have always been digital and service-based. Conclusion: Given the low material use, minimal waste generation, and limited circular economy opportunities, ESRS E5 is not considered material for Mercell under CSRD. However, we remain committed to responsible IT disposal, energy-efficient procurement, and office waste reduction as part of good sustainability governance.</p>

Title	ESRS	Comments
Social Security Access	S1	All Mercell employees are based in Europe and receive legally required social security benefits following local labour laws.
Access to Training Opportunities	S1	Mercell provides equal access to employee training and development programs as part of our HR strategy.
Excessive Work Hours	S1	Work hours in Mercell comply with all local labour laws, and Mercell ensures adherence through internal policies.
Compensation Below Minimum Wage	S1	All employees in Mercell are compensated above the legal minimum wage in all operating regions.
Communication with Management	S1	Mercell maintains open communication channels between management and employees, including structured feedback mechanisms, team meetings, and town halls.
Rights of Free Association	S1	All Employees in all jurisdictions have complete freedom to associate and engage in worker representation without any restrictions. Many employees are in unions and/or under collective bargaining agreements.
Employee Representation	S1	Employee representation is available in all jurisdictions, and Mercell supports participation.
Collective Bargaining	S1	Mercell respects and upholds collective bargaining rights under labour laws. Many employees are under collective bargaining agreements.
Work-Life Balance	S1	Mercell manages its workloads to ensure a balanced and sustainable work-life approach, with policies supporting employee well-being. This is further outlined in its ESG reporting.
Work-Related Injuries and Illnesses	S1	Mercell operates in a low-risk office environment, with no recorded incidents of workplace injuries or illnesses.
Access to Sanitation	S1	All Mercell office locations provide clean drinking water and sanitation facilities in compliance with health regulations.
Gender Discrimination	S1	Mercell has received no complaints of gender discrimination, and it actively promotes diversity and inclusion.
Equal Pay	S1	Mercell follows equal pay principles, ensuring non-discriminatory compensation structures.
Reporting of Violence and Harassment	S1	Mercell has a straightforward and confidential whistle-blowing reporting process to handle violence or harassment complaints effectively.
Harassment Tolerance	S1	Mercell promotes a respectful workplace culture and has zero tolerance for workplace aggression.
Ethnoracial Discrimination	S1	In Mercell, there have been no recorded complaints of ethnoracial discrimination, and Mercell enforces anti-discrimination policies.

Title	ESRS	Comments
Accessibility Barriers	S1	Merrell offices generally provide reasonable access and accommodations to employees with disabilities in compliance with local accessibility standards.
Temporary Worker Equality	S1	In Merrell, temporary and contract workers receive fair treatment and relevant benefits as per local employment laws, with comparable opportunities to full-time employees. Merrell has no involuntarily part-time employees.
Child Labor	S1	Merrell does not employ minors and strictly adheres to labour laws preventing such practices.
Forced Labor	S1	There has not been forced labour in Merrell, and Merrell upholds ethical employment practices.
Housing Assistance	S1	Merrell employees do not need direct housing assistance, which does not apply to Merrell.
Employee Data Privacy	S1	Merrell complies with all data privacy regulations and GDPR and does not process employee data without consent or any other legal basis.
Hazardous Materials	S1	Merrell operates in office-based environments without exposure to hazardous materials or unsafe conditions.
Child Labour Risk in Markets or Areas	S1	Merrell does not operate in regions with high child labour risks and ensures compliance with responsible sourcing principles.
Forced Labour Risk in Markets or Areas	S1	Merrell does not operate in high-risk forced labour regions and follows ethical supply chain practices.
Environmental Initiatives' Impact on Work Conditions	S1	Merrell's environmental initiatives are designed to be sustainable and have no negative impact on employee conditions.
Impact of Environmental Initiatives on Specific Employee Groups	S1	Merrell's past and future environmental initiatives are implemented fairly, ensuring no negative impacts on employee groups.
Secure Employment	S1	Merrell is committed to long-term employment stability, with policies that ensure fair contracts, career development, and employee retention strategies.
Working Hours	S1	Merrell follows all local labour regulations regarding working hours and has a documented policy to ensure fair and compliant work schedules.
Competitive Wages	S1	Merrell regularly benchmarks salaries against market standards to ensure employees receive fair and competitive compensation and benefits.

Title	ESRS	Comments
Open Communication	S1	Merrell fosters a transparent work culture with open communication channels, regular feedback sessions, and management accessibility.
Freedom of Association	S1	Merrell fosters a transparent work culture with open communication channels, regular feedback sessions, and management accessibility.
Collective Bargaining	S1	Where applicable and/or available, Merrell supports collective bargaining agreements in alignment with labour regulations and employee representation frameworks.
Flexible Working Arrangements	S1	Merrell promotes flexibility with hybrid work models, remote work opportunities, and adaptable work schedules to enhance work-life balance.
Health and Safety Program	S1	Merrell maintains a health and safety policy covering personal health insurance, office ergonomics, mental well-being support, and compliance with workplace safety regulations.
Anti-Discrimination Policy	S1	Merrell enforces a strict anti-discrimination policy to ensure a fair, inclusive, and diverse workplace free from bias and unequal treatment.
Pay Equity Analysis	S1	Merrell assesses pay structures periodically to ensure gender pay equity and fairness in compensation across roles and departments.
Training Opportunities	S1	Merrell provides employee learning and development programs, including e-learning, training, leadership development, and upskilling opportunities.
Inclusion of Persons with Disabilities	S1	Merrell is committed to workplace accessibility and inclusion, ensuring hiring and employment practices accommodate individuals with disabilities.
Violence and Harassment Policy	S1	Merrell has a zero-tolerance policy for workplace harassment and violence, with precise reporting mechanisms and disciplinary measures.
Diversity and Inclusion	S1	Merrell has a diversity, equality, and inclusion policy, which fosters an equitable work environment by providing all employees with equal opportunities.
Child Labour Prevention	S1	Merrell strictly follows labour laws and does not employ individuals below the legal working age in our operations.
Forced Labour Prevention	S1	Merrell upholds ethical labour standards, ensuring all employment is voluntary and free from coercion or forced labour practices.
Housing Assistance Programs	S1	While Merrell does not provide direct housing programs, employee well-being initiatives include support services for relocation and housing assistance where needed.
Employee Data Privacy	S1	Merrell adheres to strict data privacy regulations, including GDPR, to protect employee information with clear policies and security measures.

Title	ESRS	Comments
Accident Prevention Policy and Systems	S1	All Mercell employees work in protected office workspaces. Mercell follows workplace safety guidelines and provides training to prevent accidents, particularly in office settings.
Top Official for Equal Employment Opportunities	S1	Mercell ensures equal employment opportunities are overseen at the CHRO and ELT to drive diversity and inclusion efforts.
Transparency in Recruitment, Training, and Promotion	S1	Mercell has no formal process for ensuring transparency and inclusivity in recruitment, training, and promotion records.
Grievance and Complaint Handling Mechanisms	S1	Mercell has a structured grievance and complaint resolution system, ensuring employee concerns are addressed fairly and confidentially. If needed, employees may use the internal whistle-blowing system.
Environmental Initiatives Improving Work Conditions	S1	Mercell integrates sustainability into workplace improvements, such as energy-efficient offices and wellness-focused initiatives that benefit employees.
Environmental Initiatives Enhancing Diversity and Inclusion	S1	Mercell ensures that sustainability initiatives align with diversity goals, fostering an inclusive and environmentally responsible workplace.
Employee Participation in Sustainability Transitions	S1	Mercell involves employees in sustainability discussions on a day-to-day basis, but not through formalised channels.
Temporary Workers	S1	Mercell employs many temporary and contract workers as needed, ensuring they receive fair treatment and comply with labour laws.
Excessive Workload	S1	Mercell acknowledges that workload perception may vary, and we continuously monitor and adjust work distribution to maintain employee well-being.
Competitive Compensation	S1	Mercell hires a highly skilled workforce, which requires competitive compensation through regular benchmarking to attract and retain top talent in the industry.
Open Communication	S1	Mercell fosters a culture of transparency, encouraging dialogue between employees and management through various communication channels.
Silent Workforce	S1	Mercell promotes employee engagement and encourages feedback, though we continue assessing how actively employees voice concerns and participate in discussions.
Lack of Collaboration Channels	S1	Mercell provides structured collaboration channels for employees and representatives to ensure open discussions and input on workplace matters.

Title	ESRS	Comments
Absence of Collective Bargaining	S1	Mercell respects collective bargaining rights and does not obstruct employee participation.
Health and Well-being	S1	Mercell's success depends on a healthy workforce, and we actively support employee well-being through health programs and work-life balance initiatives.
Salary History Usage in Hiring	S1	Mercell focuses on role-based salary structures and skills-based hiring rather than relying on previous salary history.
Short-term Gain Prioritisation	S1	Mercell prioritises sustainable growth and ethical leadership, ensuring a positive and supportive work environment.
Skilled Workforce	S1	Mercell depends on a highly skilled workforce and invests in continuous learning and professional development for employees.
Accessibility Standards	S1	Although Mercell does not actively monitor workforce disabilities, Mercell fosters an inclusive workplace and ensures accessibility for employees with disabilities in hiring and daily operations.
Workforce Diversity	S1	Mercell's workforce reflects the diversity of our customer base and the communities in which we operate, as we are present across multiple European countries and employ individuals from varied backgrounds, cultures, and professional experiences. We actively promote equal opportunity hiring and strive to foster an inclusive workplace where diversity and expertise are valued. Our recruitment and employment policies ensure non-discriminatory practices, allowing us to build a team that aligns with our diverse public and private sector clients. Additionally, we continue to explore ways to enhance representation and inclusivity within our workforce to further align with our broad customer base.
Adequate Housing	S1	Mercell's operations are not impacted by local housing availability, though we support employees needing relocation assistance.
Privacy-sensitive Data	S1	Mercell's core activities do not collect sensitive data other than what is needed to perform the normal employment relationship. Mercell collects and processes employee data in compliance with privacy laws, such as GDPR, ensuring security and ethical handling.
Workers in the value chain	S2	Mercell does not consider Workers in the Value Chain to be material, as our business model as a SaaS company does not rely on large-scale external labour in industries with high risks of poor working conditions. Our value chain comprises cloud service providers, software vendors, and office service providers operating in regulated environments with strong labour protections. We do not engage in outsourced manufacturing, large-scale subcontracting, or supply chains with vulnerable labour conditions. While some external workers, such as IT service providers and office facility staff, may be indirectly involved, they represent a limited scope of risk. Given this low exposure, this is not considered material under CSRD, though Mercell remains committed to ethical business practices and responsible supplier engagement.

Title	ESRS	Comments
Affected communities	S3	Merrell does not operate in or source materials from areas where indigenous or local communities could be impacted, as our business is entirely digital and does not involve resource extraction, manufacturing, or physical supply chains. Our operations rely on software services, cloud-based infrastructure, and office environments, none directly impact indigenous lands or local communities. Given this lack of exposure, this issue is not deemed material for Merrell under CSRD. However, we remain committed to responsible business practices and ensuring our suppliers meet ethical and sustainable standards.
Consumers and end-users	S4	In Merrell, Consumer focus is not material because we operate strictly in a B2B (business-to-business) and B2G (business-to-government) model, meaning we do not provide services directly to individual consumers. Our clients are businesses and public sector entities that operate under contractual agreements and regulatory frameworks, reducing typical consumer protection concerns. Issues covered under ESRS S4, such as consumer safety, misleading marketing, or vulnerability risks, are more relevant to industries selling physical products or services to individuals. While consumer-related risks are minimal, some indirect aspects may be applicable, such as ensuring compliance with GDPR and protecting the integrity of our B2G and B2B clients' data, and ensuring our SaaS platform is accessible for all users, particularly in the public sector context. Since Merrell does not serve individual consumers, ESRS S4 is not considered material under CSRD. However, we remain committed to data protection, transparency, and fair business practices for our B2B and B2G customers.
Data and Privacy: Excessive Collection	S4	Merrell follows GDPR principles, ensuring that only necessary personal data is collected for legitimate business purposes. Data minimisation is a core compliance principle.
Data and Privacy: Policies	S4	Merrell maintains a transparent privacy policy that is accessible on our Trust Portal and outlines data collection, usage, and protection practices.
Data and Privacy: Opt-out Mechanisms	S4	Merrell provides users with precise opt-out mechanisms where applicable, in compliance with GDPR and privacy best practices.
Freedom of Expression	S4	Merrell's SaaS solutions are designed for public procurement and do not include features that restrict or monitor freedom of expression.
Lack of Transparency	S4	Merrell implements clear policies to ensure transparency in managing user-generated content, particularly in compliance with GDPR and information security frameworks.
Consumer Communication	S4	Merrell provides accurate, detailed, and transparent information about our products and services through our website, documentation, and customer support channels.
Health and Safety Risks	S4	Merrell's software solutions pose no health or safety risks to users, as they primarily facilitate digital procurement processes.
Potentially Harmful Products and Services	S4	Merrell's products are designed for ethical public procurement processes and cannot be used for harmful or exploitative purposes.

Title	ESRS	Comments
Minor Protection	S4	Mercell's solutions target businesses and public entities, not minors, and appropriate security measures are in place.
Discriminatory Practices in Pricing or Marketing	S4	Mercell adheres to fair business practices, ensuring no discriminatory pricing or restricted access.
Accessibility Barriers	S4	While Mercell does not have dedicated accessibility policies, our products aim to be inclusive and usable by all authorised users.
Targeted Marketing Practices	S4	Mercell's marketing follows ethical principles, targeting relevant business and public sector users.
Deceptive Marketing	S4	Mercell ensures all marketing materials accurately represent our SaaS offerings.
Lack of Secure, Private, and Anonymous Channels for Consumers and End-Users	S4	In Mercell, secure communication channels are available, including through the Trust Portal and whistle-blowing tool.
Retaliation Against Consumers for Raising Concerns	S4	Mercell encourages feedback and provides anonymous reporting mechanisms.
Data Privacy	S4	Mercell's privacy policies and GDPR compliance ensure robust privacy controls.
Safety Communication Environment	S4	Mercell provides secure platforms for procurement communication.
Diversity and Content Moderation	S4	Mercell fosters open dialogue within legal and ethical boundaries.
Multilingual Support	S4	Mercell operates in multiple European countries and offers services in various languages.
Educational Content	S4	Mercell provides educational materials on best procurement practices to customers.
Health and Well-being	S4	Health and well-being are not core aspects of Mercell's SaaS offerings.
Safety Instructions	S4	Mercell provides user guidance but not formal safety instructions, as our products pose no physical risks.
Digital Security	S4	In Mercell, data security is a core priority, as evidenced by compliance frameworks.

Title	ESRS	Comments
Affected communities	S4	At Mercell, strong security protocols are in place to protect and safeguard all customer data.
Child Safety	S4	Mercell provides SaaS procurement solutions designed for businesses and government institutions. Its products and services are not targeted at younger users.
Diversity and Inclusion	S4	Mercell is committed to equal opportunity and fair treatment for all consumers, businesses, and public-sector entities using our services. Our procurement solutions are designed to be inclusive, accessible, and non-discriminatory, ensuring that all users, regardless of size, industry, or geographic location, have equal access to our digital platforms. Mercell adheres to strict governance and ethical standards and maintains fairness in service accessibility.
Accessibility in Design	S4	While Mercell prioritises usability, we have not specifically implemented accessibility design features, though we continue to explore improvements in this area.
Pricing Options	S4	Mercell offers flexible pricing structures tailored to different customer needs, including small businesses and large government institutions.
Digital Inclusion Partnerships	S4	Mercell collaborates with organisations focused on digital transformation and public-sector innovation, promoting digital inclusion in procurement processes.
Marketing Ethics	S4	Mercell follows ethical marketing practices and ensures all communications reflect our solutions' capabilities and benefits.
Promotion of Social Values	S4	Mercell highlights transparency, efficiency, and responsible procurement in marketing materials, promoting ethical business and public-sector engagement.
Freemium Pricing Models	S4	Mercell provides flexible service options to meet different procurement needs, including scalable solutions based on customer size and complexity.
Dedicated Officer for Engaging with Consumers and End-Users	S4	Mercell has dedicated teams for customer success, product support, and compliance, ensuring strong engagement with our user base.
Ensuring Access to Secure, Private, and Anonymous Channels for Consumers	S4	Mercell provides secure support channels, ensuring user privacy and confidentiality when reporting concerns or inquiries.
User Data	S4	Mercell uses aggregated and anonymised user data to refine service functionality and enhance the user experience, all in compliance with GDPR.
Consumer Purchasing Decisions	S4	Mercell does not manufacture physical products or manage material sourcing; we provide digital procurement solutions.

Title	ESRS	Comments
User Feedback	S4	Mercell actively collects customer feedback to improve platform functionality, ensuring our solutions meet user needs.
User-generated Content	S4	Mercell does not rely on user-generated content for marketing but instead focuses on verified case studies and structured customer insights.
Hazard Reports	S4	Mercell's SaaS platform does not present physical safety hazards, and system security is proactively managed through compliance frameworks like SOC2 and ISAE3000.
User Reporting on Safety	S4	Mercell employs proactive security monitoring and audits to detect and mitigate risks before users need to report incidents.
Accessibility Feedback	S4	Mercell values user feedback in improving platform usability, and we are continuously exploring ways to enhance accessibility.
Partnerships with Advocacy Groups	S4	Mercell's primary user base consists of businesses and government entities, with limited engagement in consumer advocacy initiatives.
Large and Active User Base	S4	Mercell's SaaS business model benefits from a growing user base, particularly within the public procurement sector.
User Testimonials	S4	Mercell showcases verified success stories from government institutions and businesses to demonstrate the impact of our solutions.
Success Depends on Secure and Private Communication with Consumers and End-Users	S4	Mercell prioritises secure communication in compliance with SOC2, ISAE3000, ISAE3402, and GDPR, ensuring trust and privacy for all users.
Corner-cutting	G1	Mercell ensures ethical business practices by aligning performance targets with compliance and integrity and avoiding shortcuts that compromise governance. Our Code of Conduct document further describes Mercell's moral standards.
Employee Engagement and Turnover	G1	Mercell fosters employee engagement through career development, fair compensation, and a positive work environment, minimising turnover risks.
Whistle-blowers Retaliation	G1	Mercell has a robust whistleblower protection policy to ensure employees can report concerns safely and confidentially without fear of retaliation.
Whistle-blower Confidentiality	G1	Mercell provides independent reporting mechanisms, allowing employees to report misconduct directly and confidentially without supervisor interference.
Retaliation against Complaints	G1	Mercell enforces a strict non-retaliation policy, ensuring that employees who report concerns are protected and treated fairly.

Title	ESRS	Comments
Poor Animal Welfare Practices in Sourcing	G1	Mercell does not operate in industries where animal welfare practices are concerned, making this issue non-material to our operations.
Animal Welfare Practices	G1	Mercell does not source from industries where animal welfare is a material issue, ensuring this concern does not apply to our business model.
Political Contributions	G1	Mercell does not engage in political contributions and always maintains neutrality and compliance with ethical governance principles.
Lobbying Practices: Environment	G1	Mercell does not use lobbying in the context of environmental or labour regulations, and always maintains ethical business practices and compliance.
Lobbying Practices: Undue Influence	G1	Mercell adheres to strict governance principles and does not engage in undue influence or policy manipulation.
Supplier Selection	G1	Mercell evaluates suppliers based on factors aligned with our Supplier Code of Conduct.
Transparency in Labour Practices	G1	Mercell acknowledges that complete visibility into labour practices across our supply chain is an area for improvement. While we primarily work with reputable suppliers and have not identified significant risks. We must enhance our internal processes to ensure greater transparency and oversight.
Payment Term Extension	G1	Mercell maintains fair and ethical payment practices, ensuring that delayed payments do not negatively impact supplier relationships.
Legal Disputes with Suppliers	G1	Mercell maintains ethical and legal business relationships with suppliers and has no history of disputes over unfair payment practices.
Operations in High-Corruption Markets	G1	Mercell operates in regulated markets and only in the top 20 countries on the Transparency International Corruption Index. Its strict anti-corruption policies minimise exposure to high-risk environments.
Gift Approvals	G1	Mercell acknowledges that while we adhere to ethical business practices, we lack fully documented and standardised procedures for gift approvals. While this has not been a significant risk due to our industry and business model, we recognise the importance of formalising clear guidelines to ensure compliance and transparency in all transactions. Gifts and Hospitality best practices are communicated in compliance training, but no formal policy has been established.
Unethical Sales Practices	G1	Mercell upholds ethical sales practices and does not pressure employees to engage in unethical behaviour to win contracts.
Corruption: Sanctions and Investigations	G1	Mercell has no corruption investigations or sanctions history, maintaining full compliance with anti-bribery regulations and our zero tolerance policy.
Code of Ethics Promotion	G1	Mercell enforces a formal code of ethics that promotes integrity, fairness, and respect in all business operations. The key document is our Code of Conduct.

Title	ESRS	Comments
Social Responsibility	G1	Mercell provides training on ethical behaviour and social responsibility, equipping employees with tools to report concerns.
Speak-Up Culture	G1	Mercell encourages employees to voice concerns freely, backed by written anti-retaliation policies and protection mechanisms.
Whistle-blower Hotline	G1	Mercell has a dedicated confidential whistleblower platform, allowing employees to report misconduct without fear of repercussions.
Whistle-blower Reporting	G1	The Mercell Guideline for Handling Concerns follows a structured and transparent approach to handling whistleblower reports, ensuring accountability and fairness.
Value Chain Animal Welfare	G1	This does not apply to Mercell, as our business operations do not involve sourcing from industries where animal welfare is a material concern.
Animal Welfare Partnerships	G1	Not applicable to Mercell, as we do not operate in industries where supply chain animal welfare is relevant.
Sustainability Lobbying	G1	Mercell does not actively engage in sustainability lobbying but supports responsible business practices aligned with ESG principles.
Political Contributions	G1	Not applicable, as Mercell does not pay political contributions.
ESG Initiatives	G1	Mercell participates in ESG initiatives such as the UN Global Compact to advance sustainability and governance practices.
Supplier Code of Conduct	G1	Mercell enforces a supplier code of conduct that mandates ethical labour, sustainability, and fair business practices.
Supplier Assessment	G1	Mercell conducts supplier assessments to ensure compliance with ethical, environmental, and industry best practices. A broader investigation is performed when entering into contracts with non-European legal entities.
Small Suppliers Support	G1	Mercell does not have a dedicated small supplier ESG support program, but ensures fair sourcing practices.
Payment Ethics	G1	Mercell maintains ethical and transparent supplier payment practices to foster long-term, fair business relationships.
Resolution of Payment Disputes	G1	Mercell currently resolves supplier payment disputes on an ad-hoc basis, ensuring fair outcomes.
Corruption Zero-Tolerance	G1	Mercell upholds a strict zero-tolerance policy for corruption and bribery, enforcing legal and disciplinary actions where necessary.
Anti-Corruption Training	G1	Mercell does not do business in higher-risk markets, only in the Transparency International Corruption Index's top 20 jurisdictions. Also, Mercell provides general anti-corruption training for employees to strengthen ethical business practices and comply with regulations.

Title	ESRS	Comments
Handling of Corruption Incidents	G1	Not applicable, as Mercell has no history of corruption incidents requiring resolution.
Ethical Standard Violations	G1	Mercell prioritises ethical business conduct and does not pressure employees to compromise on moral standards.
Retaliation Against Whistleblowers	G1	Mercell enforces strong whistleblower protection policies to ensure a culture of transparency and accountability.
Questionable Animal Welfare Practices	G1	Mercell does not operate in industries where animal welfare sourcing is a material issue.
Lobbying for Weakening Regulations	G1	Mercell does not engage in lobbying efforts to weaken environmental or labour protections.
Questionable Ethics in Supply Chain	G1	Mercell selects suppliers based on ethical, environmental, and labour standards, ensuring responsible sourcing.
Supplier Payment Delay	G1	Mercell upholds ethical payment practices and does not engage in practices that deliberately delay supplier payments.
Corruption	G1	Mercell follows strict anti-corruption policies and does not engage in corrupt business practices.
High-corruption Markets	G1	Mercell operates in regulated markets with strong compliance frameworks, minimising corruption risks.



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