silen

Sustainability Report 2025

Based on VSME standard

silen.com

Introduction

A foreword from the CEO of Silen OÜ

Dear readers,

At Silen, growth has never been just about expanding our global footprint. It is about creating spaces where people can focus, collaborate, and thrive. As the way we work continues to evolve, we see our role not only as a provider of acoustic solutions, but as a contributor to healthier, more sustainable work environments around the world.

2025 brought both commercial and operational milestones for Silen. We strengthened our presence in key markets, including the United States and the United Kingdom, with turnover reaching 20.6 million euros: a 38% increase year-on-year. At the same time, absolute greenhouse gas emissions fell by 47% compared to 2024, demonstrating that ambition and responsibility are not in conflict.

Our commitment to sustainability goes beyond our own operations. We recognise that our responsibility extends to how we source materials, manage resources, and engage with our partners and communities. Our key suppliers have signed our Sustainability Code of Conduct, and 100% of our electricity consumption is sourced from renewable energy.

Our Silen Zero initiative defines our path forward, with clear targets through 2027 as we work towards our long-term Net Zero ambition. In 2025, we reached net zero Scope 2 emissions, launched our first circular pilot product line, and completed the systematic documentation of product component replacement cycles. Our modular flat-pack design reduces transport volume by up to 40% compared to pre-assembled products, meaning fewer shipments, lower logistics emissions, and less packaging material per unit delivered.

Equally important are the people behind Silen. Our team of 68 grew significantly this year, and employee turnover decreased from 0.24 to 0.07 — a result we are proud of, and one that reflects the workplace culture we continue to build. Our culture is grounded in honesty, care, ambition, and collaboration.

Sustainability at Silen is embedded in our strategy and everyday decision-making. This report is an important step in strengthening our transparency and accountability, allowing us to track progress, identify areas for improvement, and ensure our actions remain aligned with our long-term vision.

Thank you for being part of this journey.

Endrus Arge
CEO
Silen OÜ

2025 proved that growth and reducing your footprint are not trade-offs – they are two outcomes of the same decisions.

Revenue grew 38%. Absolute greenhouse gas emissions fell 47%. 94% of production reaches international markets. Employee turnover dropped to a third of its previous level. This report is our evidence.

38%

revenue growth year-on-year

€ 14.9M → € 20.6M

47%

reduction in GHG emissions

Absolute, vs 2024

100%

renewable electricity in production

Scope 2 emissions = zero

52

countries where Silen products were delivered

60+ countries in partner network

69

people in the team

All on permanent contracts

0.07

employee turnover rate

→ from 0.24 in 2024

Report prepared in accordance with the VSME standard. Reporting year 2025.

About the report

This Sustainability Report provides an overview of Silen OÜ's sustainability approach, key ESG impacts, and performance indicators. The report aims to offer transparent, relevant, and decision-useful information to stakeholders, supporting responsible business practices and long-term value creation.

The report has been prepared in accordance with the EFRAG voluntary sustainability reporting standard for non-listed micro-, small- and medium-sized undertakings (VSME standard). This ensures that the disclosed information is proportionate to the size and nature of Silen OÜ's operations while remaining aligned with emerging European sustainability reporting expectations.

To enhance the relevance of the disclosures, Silen OÜ has conducted a double materiality assessment, identifying and prioritising sustainability topics based on their environmental and social impacts as well as their financial relevance to the company. This assessment supports a focused and structured approach to ESG reporting, covering the most significant risks, opportunities, and impacts.

While Silen OÜ recognises that a substantial share of environmental and social impacts may occur within its value chain, this report primarily focuses on areas where the company has direct influence, including product design, material use, energy consumption, operations, employees, and local community engagement.

This report is intended for a broad range of stakeholders, including customers, partners, employees, and the wider public.

As this is one of Silen OÜ's first sustainability reports prepared under the VSME framework, the report does not yet include fully standardised historical comparisons across all indicators. However, where available, selected year-on-year data is presented to support transparency and track progress over time.

The report has not been independently assured. However, internal processes and external expert input have been used where relevant to support the accuracy and reliability of the disclosed information.

Our journey

Silen's roots go back to the early 2000s, when our founders began manufacturing wall partition systems under the Wallenium brand. That experience in production, materials, and workspace design became the foundation for Silen OÜ, established in 2018 with a clear focus: acoustic and modular solutions that help people do their best work. Over the years, our commitment to quality has been recognised internationally and increasingly, so has our responsibility to build these products in a way that respects both people and the planet.

~2000 — ORIGINS

- Wallenium OÜ founded – wall partition manufacturing, ~2 decades of production expertise

2018 — FOUNDED

- Silen OÜ established. Focus shifts to acoustic office pods and privacy solutions

2022 — AWARD

- NeoCon Innovation Award – Space Hybrid. First International design recognition

2023 — AWARD

- Archiproducts Design Award – Space Hybrid 4. Milan, Italy

2024 — ESG MILESTONE + AWARD

- 100% renewable electricity.
- EcoVadis Bronze.
- Silen Zero launched.
- NeoCon Business Impact Award – Space 1.5

2025 — ESG MILESTONE

- First VSME report.
- Scope 2 net zero.
- Circular pilot product.
- All 24 suppliers signed CoC.

2026 — TARGET

- EPD third-party verification.
- Space Gen 2 launch.
- LCA for all pods.

2027 — TARGET

- Scope 1+2 emissions -50% vs 2024.
- Second-life solutions in all core markets

2030 — AMBITION

- Scope 1,2 & 3 -50%.
- Full scope 3 transparency.
- Net zero production operations

Growth, strategy and sustainability at Silen OÜ

In 2025, Silen products reached customers in more than 50 countries, supported by a dealer and partner network spanning over 60 countries. New showroom were opened in London, and the Silen Rent service expanded into the USA, UK and Swedish markets — extending our circular leasing model to new regions and customer segments.

Turnover grew 38% year-on-year to 20.6 million euros, with approximately 94% of production exported to international markets. At the same time, the company grew its workforce from 59 to 68 employees and significantly reduced employee turnover, reflecting continued investment in organisational stability alongside commercial growth.

Sustainability is integrated into Silen's business strategy through the Silen Zero framework, which sets out concrete targets across emissions reduction, circular product design, supply chain responsibility, and resource efficiency. The framework is built on three priorities: reducing our operational and value chain footprint, designing products for maximum longevity and recyclability, and ensuring that our key suppliers operate to the same standards we hold ourselves to.

This report covers our progress against these priorities for the 2025 financial year, prepared in accordance with the VSME standard and complemented by a voluntary double materiality assessment.

Double materiality assessment

A double materiality assessment is a structured process that looks at sustainability topics from two directions at once: how the company's activities impact the environment and society (impact materiality), and how sustainability-related risks and opportunities affect the company's financial performance (financial materiality). Together, these two perspectives form the "double" lens that helps companies identify what truly matters and why.

For Silen, conducting this assessment voluntarily was a deliberate choice. As a manufacturing company operating across 60+ countries, we wanted a clear, evidence-based picture of where our most significant impacts lie and where sustainability-related risks could affect our business. Rather than reporting on everything, the assessment allowed us to focus on what is most relevant: climate change, resource use and circular economy, our workforce, and responsible business conduct. It also helped us align with the direction of European sustainability reporting — ensuring our approach is not only transparent today, but ready for tomorrow.

Silen OÜ conducted a double materiality assessment in accordance with the principles of the VSME standard and ESRS framework, using the ESG Tool methodology developed in cooperation with Estonia's Ministry of Finance, Ministry of Climate, and Baltic-Nordic partners. The assessment covered environmental, social and governance topics (E1–E5, S1–S2, G1) and evaluated both impact materiality (the company's impacts on the environment and society) and financial materiality (risks and opportunities that may affect the company's financial performance).

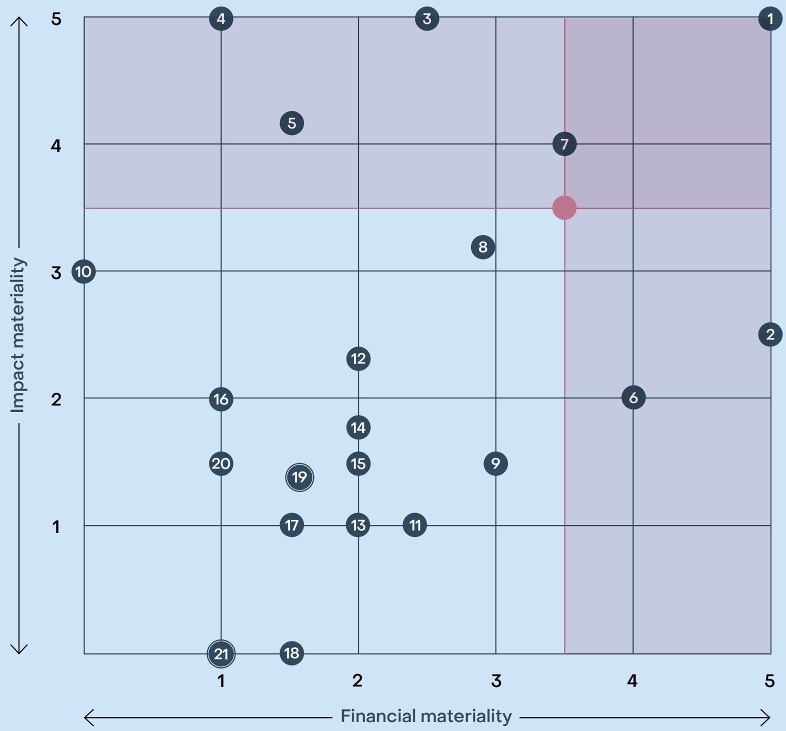
The process included mapping key stakeholders across the value chain (see B1 – Basis for preparation and Scope of consolidation), including employees, suppliers, customers, distribution partners, investors and the environment as a silent stakeholder. Topics were identified and assessed using a structured scoring methodology, considering severity, likelihood and scale of impacts, as well as potential financial effects such as cost exposure, regulatory changes and market expectations.

The outcomes of the assessment are reflected throughout this report, in particular in:

- climate-related disclosures, targets and KPIs (B3, C3),
- resource use, circular economy and waste indicators (B7),
- supply chain and business relationships (C1, B2),
- workforce-related metrics (B8–B10),
- governance and business conduct disclosures (B11, C6–C9).

Based on the assessment, the most material topics identified include climate change (E1), resource use and circular economy (E5), workers in the value chain (S2), own workforce (S1) and business conduct (G1). These topics reflect both the company's operational footprint and its exposure to regulatory, market and supply chain risks and opportunities.

Topics such as water (E3) and biodiversity (E4) were assessed as not material. This is due to the limited scale of water use in operations and the absence of significant impacts on ecosystems, as described in sections B6 and B5. These topics remain subject to periodic review as part of the company's ongoing ESG risk assessment.



1 Climate change adaption
2 Waste
3 Pollution of soil
4 Microplastics
5 Direct impact drivers of biodiversity loss
6 Resource outflows related to products and services
7 Climate change mitigation
8 Energy
9 Recources inflows, including resource use
10 Impacts on the state of species
11 Pollution of living organisms and food resources
12 Working conditions
13 Pollution of air
14 Other work-related rights
15 Protection of whistleblowers
16 Equal treatment and opportunities for all
17 Substances of concern
18 Impacts and dependencies on ecosystem services
19 Equal treatment and opportunities for all
Other work-related rights
20 Working conditions
21 Substances of very high concern
Pollution of water
Marine resources

General information

B1 – Basis for preparation

Silen OÜ has prepared this sustainability report in accordance with the **EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME)**.

Silen OÜ sustainability report has been prepared in line with the VSME Comprehensive framework, complemented by a voluntary double materiality assessment. As this is the first reporting period, the report does not contain disclosures from the previous reporting period.

No disclosures have been omitted due to classified or sensitive information.

The report includes both consolidated and unconsolidated data.Data for 2024 has been prepared on a consolidated basis, including the parent company and its subsidiary, while 2025 data is presented on an unconsolidated basis.

SCOPE OF CONSOLIDATION

The sustainability report includes the following entities:

- **Silen OÜ** registered address: Taevavärava tee 3, 75306 Lehmja, Harju county, Estonia
- **Silen Rent OÜ** registered address: Taevavärava tee 3, 75306 Lehmja, Harju county, Estonia
- **Silen Rent US Inc** registered address: 106 E 6th Street, Suite 330, Austin, Texas 78701, United States

GENERAL INFORMATION

- Business name: Silen OÜ
- Commercial Registry number: 14506938
- Address: Taevavärava tee 3, Lehmja küla, 75306 Rae vald, Harju maakond
- Beginning of financial year: 01/01/2025
- End of financial year: 31/12/2025
- Report currency: EUR
- Basis of preparation: consolidated reporting (including subsidiaries in European countries).
- Main activity: Manufacture of furniture (pods)
- Legal form: Public Limited company (OÜ)
- NACE code: 31.00
- Assets: 11,6 m € (*unconsolidated data)*
- Turnover: 20,6 m € (*unconsolidated data)*
- Number of employees: 68
- **Location of significant assets:**
  – Production facility and headquarters in Lehmja, Estonia
  – Showrooms in the United States (Chicago, Austin)

Global reach

In 2025 Silen products reached customers in **more than 50 countries,** while the company maintains a broader presence **in over 60 countries** through its dealer and partner network.

COMPANY SUBSIDIARIES AND SITES

At the end of the reporting period, the company operated 2 physical locations in 2 countries, including its headquarters, production facility and showroom in Estonia, as well as international showroom locations in the United States.

The main operational hub is located in Lehmja, Estonia, where the headquarters, production and primary showroom are situated. In addition, the company operates 2 international showroom locations in key markets (Chicago and Austin), supporting customer engagement and sales activities.

The majority of the company's sites are either owned or leased, while certain international showroom locations are operated in cooperation with local partners. The company's international footprint reflects its focus on expanding presence in strategic export markets.

The consolidation group includes 1 subsidiary (Silen Rent OÜ), which supports the group's rental activities and international showroom operations. The sustainability report has been prepared on a consolidated basis, covering both the parent company and its subsidiary.

Identifier of site	Address	Zip code	City	Country	GPS Location of site
Silen OÜ (HQ and show-room)	Taevavärava tee 3	75306	Lehmja, Harju county	Estonia	59°2150 N, 24°5332 E
Silen Rent OÜ	Taevavärava tee 3	75306	Lehmja, Harju county	Estonia	59°2150 N, 24°5332 E
Silen Rent US Inc Office	601 N Congress Ave STE 330	TX 78701	Austin Texas	USA	30°1607 N, 97°4434 W
Silen Showroom: Chicago	222 W Merchandise Mart Plaza, Suite 10-155	IL 60654	Chicago	United States	41°5316 N, 87°3809 W

SUSTAINABILITY-RELATED CERTIFICATIONS AND LABELS

Silen has obtained and applies several sustainability-related certifications and frameworks:

- EcoVadis Bronze Medal, reflecting the company's sustainability performance across environment, labour & human rights, ethics and sustainable procurement.
- SGS Indoor Air Advantage™ Gold certification for its products, confirming very low emissions of volatile organic compounds (VOC) and compliance with strict indoor air quality standards, supporting healthy indoor environments.
- Environmental Product Declarations (EPDs) are available and under development for selected products, based on Life Cycle Assessment (LCA), providing transparent (and, where applicable, verified) information about environmental impacts across the product lifecycle.

Environment

C1 – Strategy: Business Model and Sustainability

BUSINESS MODEL

Silen OÜ is engaged in the development, manufacturing and international distribution of acoustic office solutions, including phone booths, work pods and meeting cabins. The company operates primarily in a B2B market, serving corporate clients that require flexible, private and high-quality workspace solutions.

The company's products are designed for long-term use and adaptability, with an estimated product lifespan of approximately 20 years, supported by modular design enabling repair, refurbishment and reuse. This is a strategic approach to reduce lifecycle emissions by extending product use and enabling refurbishment, reuse, and second-life applications.

Manufacturing activities are primarily located in Estonia, with the majority of production exported to international markets.

MARKETS AND DISTRIBUTION

Silen operates globally, with a presence in over 60 countries across multiple continents and over 300 resellers in its distribution network. The company has a strong market position in Europe and North America, including showroom locations in the United States and the United Kingdom.

Over 90% of production is exported, reflecting the company's international growth strategy. In addition to dealer-based distribution, the company offers circular subscription solutions through Silen Rent OÜ, enabling flexible use of products across different markets.

BUSINESS RELATIONSHIPS

The company's value chain is supported by a network of key business partners, including:

- suppliers of materials and components
- international dealers and distribution partners
- logistics and transport providers
- corporate end customers

The supply chain is relatively concentrated, with approximately 89% of components sourced from key suppliers, all of whom have signed the company's Sustainability Code of Conduct, ensuring alignment with environmental and social standards. The majority of components are manufactured in Estonia, with only a limited number sourced internationally where local availability is not feasible.

Suppliers have been assessed through a self-assessment questionnaire, requiring them to substantiate their sustainability-related claims with supporting evidence or to indicate their level of progress. In addition, approximately 20% of the 24 key suppliers have undergone EcoVadis assessment, achieving at least a recognised rating under the EcoVadis assessment framework, confirming a baseline level of sustainability performance. Silen has also identified and mapped key risks related to suppliers and supplied materials as part of its ongoing risk management process.

SUSTAINABILITY-RELATED STRATEGY AND INITIATIVES

Sustainability is integrated into the company's strategy through the **Silen Zero framework**, which defines the company's approach to reducing environmental impact across its operations and value chain.

The company's sustainability strategy focuses on:

- reducing emissions within its own operations and value chain (insetting approach)
- improving product lifecycle performance through durability, modularity, upgradability and recyclability, including the ability to replace or retrofit selected interior and exterior components over time as technologies and user requirements evolve
- increasing the use of renewable energy and resource-efficient production processes
- strengthening sustainability performance across the supply chain

The company has set a target to reduce Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2027. In parallel, Silen is working towards reducing emissions across Scope 1, 2 and 3 by 2030, subject to the completion of Scope 3 measurement and baseline confirmation.

A significant share of Silen's environmental impact occurs within its value chain (Scope 3), which is further addressed in the Environment section.

Production and office operations already rely on 100% renewable electricity.

In addition, the company is developing circular business models, including rental, refurbishment and reuse solutions, which extend product lifecycles and reduce material consumption.

Sustainability initiatives also include:

- development and use of Environmental Product Declarations (EPDs) to measure lifecycle impacts
- implementation of circular material flows and packaging optimisation solutions
- integration of sustainability requirements into supplier relationships through a formal Code of Conduct

B2, C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

Silen OÜ has established a structured approach to sustainability, integrating environmental, social and governance (ESG) considerations into its operations, value chain and long-term strategy. The company's activities aim to reduce negative impacts and enhance positive contributions to a more sustainable economy.

Governance and policies
Sustainability-related matters are managed at company level and are integrated into strategic decision-making processes. Responsibility for sustainability topics lies with the company's management.

The company has implemented a set of internal policies and principles addressing key sustainability areas:

- **Code of Conduct**, covering ethical business practices, anti-corruption, whistleblowing and responsible business behaviour
- **Sustainability Code of Conduct for suppliers**, addressing environmental and social standards, including responsible sourcing and labour practices
- **Workforce-related policies**, including non-discrimination, fair wages, workplace health and safety, employee development and equal treatment
- **Environmental principles**, covering pollution prevention, responsible use of materials, and resource efficiency

These policies are applied internally and communicated to employees and key business partners.

Sustainability-related topics are coordinated by the ESG Manager in collaboration with the management team, ensuring alignment with the company's overall strategy and operations. Sustainability objectives and targets are approved at management level on an annual basis. Progress against key ESG priorities is reviewed on a quarterly basis, and targets are updated where necessary to reflect changes in performance, data availability or strategic priorities. This approach supports the continuous integration of sustainability into decision-making processes.

PRACTICES

Climate change and energy

The company implements measures to reduce greenhouse gas emissions and improve energy efficiency, including:

- use of **100% renewable electricity** in production and office operations
- implementation of energy efficiency measures and smart energy management solutions
- optimisation of production processes to reduce energy consumption

Pollution prevention and product safety

The company aims to minimise pollution and ensure safe use of its products through:

- policies governing the use of hazardous substances in production
- product design ensuring **low VOC emissions** and high indoor air quality
- certification of products in accordance with recognised indoor air quality standards

Water and marine resources

Based on internal assessment, the company:

- does not use significant volumes of water in production
- does not discharge pollutants into water systems
- does not operate in water-stressed areas

As a result, water-related impacts are currently assessed as **not material**.

Biodiversity and ecosystems

The company has assessed its potential impacts on biodiversity and ecosystems:

- operations are located in industrial areas with limited ecological sensitivity
- no significant impacts on protected areas or species have been identified
- nearest protected areas and habitats are located at a distance that does not pose material risk

Biodiversity impacts are assessed as **not significant** and are subject to periodic review.

Circular economy and resource use

Circularity principles are integrated into product design and operations:

- products are designed for durability, with an expected lifespan of approximately **20 years**
- modular design enables disassembly, relocation, repair, refurbishment, rebuilding, repurposing, and reuse
- increasing use of recyclable and resource-efficient materials (e.g. aluminium)
- reduction of production waste and improvement of material efficiency
- development of circular business models, including rental and refurbishment solutions
- optimisation of packaging, including recyclability and reduced material use

Workforce

The company promotes a safe, fair and inclusive working environment through:

- non-discrimination and diversity principles
- fair wages and working conditions
- workplace health and safety measures
- employee training and development
- respect for freedom of association

Consumers and end users

The company addresses sustainability aspects related to its products and customers through:

- focus on **product safety, durability and quality**
- transparency and fair marketing practices
- protection of customer data and privacy

Silen's products are designed to support healthier and more comfortable indoor environments by combining low VOC emissions, which contribute to improved indoor air quality, with high acoustic performance that enhances user wellbeing through reduced noise and increased privacy. These qualities are supported by the Indoor Air Advantage™ Gold certification. In addition, durable and modular product design enables long-term use, relocation, reporpusing, repairability and component replacement, extending product lifespan and supporting more sustainable use patterns.

Business conduct

The company maintains high standards of business ethics through:

- zero-tolerance approach to **corruption and bribery**
- implementation of a Code of Conduct and whistleblowing mechanisms
- responsible sourcing practices supported by supplier requirements

TARGETS AND MONITORING

The company has established measurable sustainability targets, including:

- reduction of Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2027
- long-term ambition to work towards climate neutrality in production operations by 2030, subject to completion of Scope 3 measurement.
- ongoing reduction of environmental impacts through energy efficiency and resource optimisation
- continuous improvement of product lifecycle performance

Progress is monitored through internal data collection and reporting processes, including energy consumption, emissions and waste indicators.

FUTURE INITIATIVES

The company has defined forward-looking initiatives to further improve sustainability performance:

- completing Scope 3 emissions measurement and establishing a baseline
- further developing product design for disassembly, repairability and component replacement
- implementing regional second-life solutions for used products in core markets
- reducing packaging material use and transitioning towards lighter, mono-material and more easily recyclable packaging solutions
- developing a structured and consistent methodology for tracking material use and resource flows across products and operations
- using this methodology to support circularity analysis, waste reduction and resource-efficient design
- increasing the use of recycled and certified materials across products
- strengthening supplier collaboration to improve material sourcing transparency and waste management practices

B3 - Energy and greenhouse gas emissions

Silen OÜ discloses its energy consumption and gross greenhouse gas emissions for the reporting period in accordance with the VSME Standard. Energy consumption is presented in MWh, with a breakdown between renewable and non-renewable energy sources. Gross greenhouse gas emissions are presented as Scope 1 and location-based Scope 2 emissions.

ENERGY CONSUMPTION

The company's electricity consumption was fully sourced from renewable electricity in 2025. Natural gas and diesel are classified as non-renewable energy sources. Water data is disclosed separately and is not included in total energy consumption.

Energy consumption (MWh)

	2024		
	Renewable	Non-renewable	Total
Electricity (MWh)	122.2	112.3	**234.5**
Fuels: natural gas (MWh)	0.00	254.9	**254.9**
Fuels: diesel (MWh)	0.00	33.5	**33.5**
Total energy consumption (MWh)	122.2	112.3	**522.9**

	2025		
	Renewable	Non-renewable	Total
Electricity (MWh)	254.00	0.00	**254.0**
Fuels: natural gas (MWh)	0.00	344.3	**344.3**
Fuels: diesel (MWh)	0.00	34.20	**34.2**
Total energy consumption (MWh)	254.00	364.4	**632.5**

Conversion factors applied for preparation of this table are

- for natural gas: 0.01055 MWh/m^3
- for diesel: 0.01 MWh/l

RENEWABLE ELECTRICITY AND ENERGY MANAGEMENT

Silen covers 100% of its annual factory electricity consumption with renewable electricity. The company's renewable electricity sources include electricity generated from solar (Aidu Solar Park) and wind assets (Estonian wind farms), as well as electricity procured from accredited Baltic renewable energy sources. During 2025, renewable energy assets generated 194.4 MWh of electricity, of which 42.0 MWh was exported back to the grid. Smart energy management solutions are implemented across office and production sites to improve energy efficiency.

GROSS GREENHOUSE GAS EMISSIONS

The company reports gross Scope 1 and gross location-based Scope 2 greenhouse gas emissions as follows. Scope 1 emissions mainly arise from natural gas used for heating and diesel consumption. Scope 2 emissions relate to purchased electricity. In 2025, location-based Scope 2 emissions were reported at 0 tCO2e based on the company's renewable electricity sourcing approach described in the report; this treatment should be kept consistent with the applied methodology and documented internally.

Gross greenhouse gas emissions (tCO2e)	**2024**	**2025**
Scope 1	54.72	71.00
Scope 2 (location-based)	79.94	0.00
Total Scope 1 + Scope 2	**134.66**	**71.00**

Note - For renewable electricity, in VSME reporting and greenhouse gas (GHG) calculations, the emission factor is considered 0 kg CO_2e/MWh, as described in the methodology of the Covenant of Mayors for Climate & Energy (CoM 2017).

This means that when electricity consumption is fully covered by certified renewable electricity (e.g. through guarantees of origin or equivalent instruments), it is reported as having zero operational emissions under the market-based accounting approach.

However, this does not mean that renewable electricity has no environmental impact at all. The zero value applies only within the GHG accounting framework (market-based scope 1 and 2 emissions) used in VSME and CoM reporting. If a location-based approach is used instead, the emission factor is based on the average grid electricity mix and is not zero.

GHG intensity is calculated as total gross Scope 1 and Scope 2 emissions divided by net turnover, as required by the VSME Standard.

	2024	2025
Total gross Scope 1 + Scope 2 (tCO_2e)	134.66	71.00
Net turnover (EUR)	14,890,000	20,600,000
GHG intensity (tCO_2e / EUR)	0.0000090	0.0000034

GHG intensity decreased from 0.0000090 to 0.0000034 tCO_2e/EUR, driven primarily by the elimination of Scope 2 emissions through renewable electricity sourcing and absolute emission reductions. Scope 1 emissions increased in 2025 due to higher heat consumption, which remains an area of focus. The intensity figure does not yet include Scope 3 emissions, which are expected to represent a significant share of total emissions once measured.

Additional note on Scope 3 emissions:
Scope 3 greenhouse gas emissions are currently under assessment. The company indicates that product-related data is still being completed and that first fuller disclosure is expected in the next reporting cycle. Until then, Scope 3 should be described as ***not yet available****, rather than shown as a partial total. Silen OÜ expects Scope 3 emissions to represent a significant share of total emissions once fully measured.*

B4 – Pollution of air, water and soil

Silen OÜ has assessed its activities in relation to pollution of air, water and soil.

Based on the nature of its operations, the company is not subject to mandatory reporting of pollutant emissions to environmental authorities. The company's manufacturing and assembly activities do not involve processes that generate significant direct emissions to air, water or soil.

Potential environmental impacts are limited and managed through standard operational controls, including responsible handling of materials and compliance with applicable regulations.

Based on this assessment, pollution of air, water and soil is not considered a material topic for the company at this stage.

B5 – Biodiversity

All sites are located in industrial or urban areas with limited ecological sensitivity. No significant impacts on protected areas or species have been identified, and the company has no sites within or near biodiversity-sensitive areas (0 sites, 0 hectares).

The assessment is based on publicly available environmental data and proximity analysis of Natura 2000 sites. Biodiversity considerations are further addressed through responsible sourcing, including FSC- or PEFC-certified wood and supplier assessments.

Biodiversity impacts are assessed as not material and are subject to periodic review.

B6 – Water

Silen OÜ has assessed its water use in accordance with the VSME Standard.

The company's water use is limited and primarily relates to domestic consumption in office and staff facilities. No significant water consumption is associated with production processes.

Total water withdrawal for the reporting period was:

- **2024:** 369 m^3
- **2025:** 431 m^3

The company does not operate in areas of high water stress and therefore reports **no water withdrawal from water-stressed areas**.

As Silen does not have water-intensive production processes and does not discharge pollutants into water systems, water-related impacts are not considered material at this stage.

B7 – Resource use, circular economy and waste management

Waste	2025
Total weight of hazardous waste	3.01 t
Total weight of sorted waste utilization	31.21 t
Total weight of waste utilization	108 t
Total volume of mixed packaging waste	39,6 m3
Total volume of bio waste	39,6 m3
Total volume of paper and carton	405 m3

Silen OÜ applies circular economy principles across product design, production and the wider value chain. Circularity is embedded in the company's business model and product development, with a clear focus on resource efficiency and lifecycle impact reduction.

Key principles include:

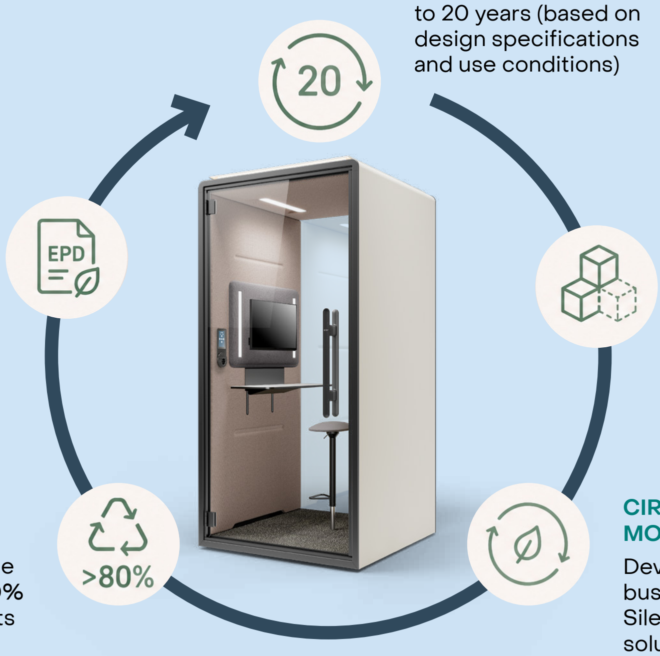
- product design for durability, with an expected lifespan of up to 20 years (based on design specifications and use conditions)
- modular construction enabling repair, refurbishment and reuse of components
- development of circular business models through Silen Rent, with rental solutions already operational and refurbishment services in development
- increasing use of recycled and recyclable materials, with over 80% of product components recyclable (by mass, estimated)
- use of Environmental Product Declarations (EPDs) to assess and improve lifecycle impacts (currently covering selected product lines)

ENVIRONMENTAL TRANSPARENCY

Use of Environmental Product Declarations (EPDs) to assess and improve lifecycle impacts (currently covering selected product lines)

PRODUCT DESIGN FOR DURABILITY

Expected lifespan of up to 20 years (based on design specifications and use conditions)



MODULAR CONSTRUCTION

Enabling repair, refurbishment and reuse of components

RECYCLED AND RECYCLABLE MATERIALS

Increasing use of recycled and recyclable materials, with over 80% of product components recyclable (by mass, estimated)

CIRCULAR BUSINESS MODELS

Development of circular business models through Silen Rent, with rental solutions

At end-of-life, Silen supports circularity through guidance on component replacement, material separation and responsible disposal, aiming to maximise material recovery and minimise waste.

The next step is to improve the accuracy and availability of data on recycled content and end-of-life treatment, enabling a transition from design intent to measurable circular performance.

WASTE GENERATION AND MANAGEMENT

During the reporting period, the company generated the following waste:

- Hazardous waste: 3.013 t
- Non-hazardous waste: 104.987 t
- Total waste generation amounted to: 108 t
- Waste diverted to sorting/recovery: 31.21 t

Approximately 29% of total waste is diverted to recycling or reuse, while the remaining share is primarily linked to mixed municipal waste.

The company focuses on reducing waste generation at source through product design, material choices and supplier collaboration, with the objective of moving from waste management towards waste prevention and circular material use.

Waste management practices are continuously improved through enhanced sorting, reduction of mixed waste streams, and optimisation of material and packaging use. Packaging solutions are further developed by reducing material weight, simplifying packaging structures, and increasing the use of easily recyclable materials such as corrugated cardboard.

The majority of waste is currently managed through external service providers, and the final treatment methods (recovery vs disposal) are not yet fully verified.

While circularity is strongly embedded in product design and business models, current waste data reflects the operational reality, where a significant share of waste is still not captured in high-value recovery streams. This highlights the company's next focus area: improving waste sorting, traceability and recovery rates to better align operational performance with circular design principles.

MATERIAL USE AND RESOURCE FLOWS

As a manufacturing company, Silen operates in a sector where material flows are significant. The company uses wood-based materials, metals, glass and other components.

A complete overview of annual material mass-flows is not yet available. Current visibility is based on procurement data, bill of materials (BOM) structures and product-level LCA and EPD development.

Silen is developing a structured approach to track material flows, focusing on key material categories and establishing a consistent methodology. The objective is to create a reliable baseline for material use and support future circularity analysis. Material flow visibility enables waste reduction, more efficient use of resources and better circular product design.

In parallel, the company focuses on increasing recycled content, using certified materials, designing for disassembly and working with suppliers to improve material sourcing and waste management practices.

FUTURE FOCUS

Silen aims to further strengthen circularity and resource efficiency by:

- reducing total waste generation, particularly mixed waste streams
- increasing reuse and recycling rates
- scaling circular business models and refurbishment solutions
- developing closed-loop systems for materials and packaging

C3 – GHG reduction targets and climate transition

Silen OÜ has established greenhouse gas reduction targets as part of its broader Silen Zero and Net Zero transition approach. The company's climate strategy focuses on reducing emissions within its own operations and value chain through renewable electricity, energy efficiency, packaging optimisation, circular material flows, product redesign and improved measurement systems.

GHG REDUCTION TARGETS

The company has set the following targets for Scope 1 and Scope 2 emissions:

Target element	Scope 1 + Scope 2 target
Base year	2024
Base year value	134.66 tCO2e
Target year	2027
Target	50% reduction in Scope 1 and Scope 2 emissions
Target value	67.33 tCO2e
Unit	tCO2e
Scope coverage	100% of reported Scope 1 and Scope 2 emissions

In addition, Silen states a longer-term ambition to achieve climate neutrality in its production facilities by 2030. The report also indicates an ambition to reduce Scope 1, 2 and 3 emissions by 50% by 2030. However, for Scope 3 this should be presented as a forward-looking commitment subject to completion of measurement and baseline confirmation.

PROGRESS AGAINST TARGET

Based on the disclosed figures, total gross Scope 1 and Scope 2 emissions decreased from 134.66 tCO2e in 2024 to 71.00 tCO2e in 2025. This represents a reduction of approximately **47.3%** versus the base year. The company is therefore close to its stated 2027 Scope 1 and Scope 2 reduction target, although Scope 1 emissions increased in 2025 due to higher heat consumption.

SCOPE 3 EMISSIONS AND VALUE CHAIN IMPACT

Based on initial assessments, Silen recognizes that the majority of its climate impact is linked to Scope 3 emissions across its value chain, particularly in relation to raw materials, component manufacturing, and logistics. While comprehensive quantification of Scope 3 emissions is still under development, the company has identified its key impact drivers and is progressively improving data quality in collaboration with its suppliers. Current efforts focus on increasing the use of supplier-specific data and strengthening product-level lifecycle understanding.

Silen is transitioning from a general footprint awareness approach toward more precise measurement and targeted action. This includes integrating value chain considerations into product design, material selection, and transport efficiency decisions, where the company has the highest potential to influence lifecycle emissions.

Climate transition actions

- maintaining 100% renewable electricity coverage for annual factory electricity consumption
- continuous improvement of energy efficiency in production and offices
- reducing packaging-related emissions through lighter packaging materials and simplified packaging structures
- reducing packaging weight, increasing reuse and improving sorting practices
- investing in digital sustainability tools for more real-time measurement and monitoring
- developing next-generation pods with low-carbon materials
- continuing circular product and operational design initiatives

Silen's climate transition approach is currently focused on the most material operational levers available to it. In practice, this means eliminating electricity-related emissions through renewable sourcing, while addressing direct fuel-related emissions through efficiency improvements and longer-term production and infrastructure changes. The company notes that its current heating solution remains dependent on gas and that alternatives may require broader infrastructure support. At the same time, it is expanding its efforts to address value chain emissions through packaging, materials, supplier engagement and product lifecycle improvements.

C4 – Climate risks

Silen OÜ has identified a range of climate-related physical and transition risks that may affect its business model, operations and value chain.

Physical risks
The company is exposed to physical climate risks primarily through its supply chain:

- availability of wood materials may be affected by climate-related forest damage (e.g. droughts, pests and fires)
- potential disruptions in aluminium production due to energy supply constraints, as aluminium production is energy-intensive and dependent on stable electricity supply

Transition risks
The company is exposed to transition risks related to regulatory, market and technological developments:

- introduction of carbon pricing mechanisms and regulations (e.g. EU CBAM) affecting material costs
- regulatory requirements such as the EU Deforestation Regulation (EUDR) impacting sourcing of wood materials
- increasing customer and investor demand for low-carbon and sustainably sourced materials
- technological developments and market shifts towards lower-impact and circular product solutions
- potential trade barriers and tariffs affecting international operations

EXPOSURE AND SENSITIVITY

The company's exposure to climate risks is primarily linked to:

- reliance on raw materials such as wood, aluminium and other components
- global supply chains and international markets
- energy use in production processes

As a manufacturing company with a high share of exported products, Silen is moderately exposed to both supply chain disruptions and regulatory changes affecting materials and emissions.

The identified risks are expected to materialise over different time horizons:

- **Short-term (0–3 years):** regulatory changes (e.g. EUDR), tariffs, energy price volatility
- **Medium-term (3–10 years):** increasing customer demand for low-carbon products, supply chain adjustments
- **Long-term (10+ years):** physical impacts on raw material availability and structural market shifts

ADAPTATION ACTIONS

The company has undertaken and continues to develop measures to mitigate climate-related risks, including:

- increasing use of certified and responsibly sourced materials
- improving energy efficiency and maintaining renewable energy use
- developing circular product design and reducing material dependency
- strengthening supplier requirements through sustainability criteria and Code of Conduct
- monitoring regulatory developments and adapting sourcing and product strategies accordingly

Silen has assessed the identified climate-related risks based on their likelihood and potential impact on operations and financial performance. At this stage, their climate-related risks are moderate, with the most relevant risks linked to supply chain dependencies and evolving regulatory requirements.

Risk category	Description	Time horizon	Risk level
Physical risks			
Raw material availability	Climate impacts on forests affecting wood supply	Long-term	Medium
Energy dependency	Energy supply disruptions affecting aluminium production	Medium to long-term	Medium
Transition risks			
Regulation (EUDR, CBAM)	Increased compliance requirements and material costs	Short to medium-term	Medium
Customer demand	Increasing demand for low-carbon and circular products	Medium-term	Medium
Technology shift	Emergence of lower-impact materials and solutions	Medium to long-term	Medium
Trade and tariffs	Changes in trade policy affecting international operations	Short-term	Low to medium

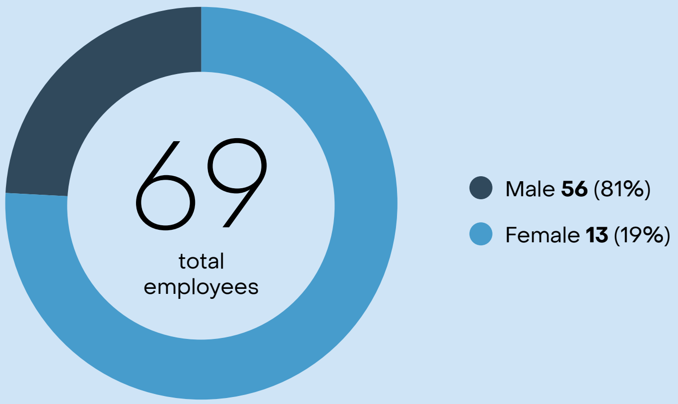
Social metrics

B8, C5 – Workforce - General and additional characteristics

The number of employees is reported as headcount as atof 31 December 2025, excluding employees with suspended contracts. Employee data includes all permanent and temporary employees regardless of working arrangement, including remote and hybrid employees.

- **Total number of employees:** 69
- **By gender:**
  – Male: 56
  – Female: 13
- **By type of employment contract:**
  – Permanent: 69
  – Temporary: 0
- **By country of employment contract:**
  – Estonia: 65
  – Other: 4
- **Employee turnover rate**:
  – 0.07 (2025);
  – 0.24 (2024)
- **Self-employed workers without personnel working exclusively for the undertaking:** 0
- **Temporary workers provided by undertakings primarily engaged in employment activities:** 0
- **Female-to-male ratio at management level:** 0

Workforce 2025



	2024	2025
Number of permanent contract employees	59	69
Number of temporary contract employees	0	0
Number of male employees	43	56
Number of female employees	13	13
Employee turnover rate	0,24	0,07
Female-to-male ratio at management level	0 (board consist of 3 male person)	0 (board consist of 3 male person)
Number of self-employed workers without personnel that are working exclusively for the undertaking	0	0
Number of temporary-workers provided by undertak-ings primarily engaged in employment activities	0	0

The production workforce has a higher proportion of male employees, which reflects the historically male-dominated nature of manufacturing. Female headcount remained stable at 13 in both 2024 and 2025, while total headcount grew, resulting in a lower female share overall.

To improve gender balance, the company applies gender-neutral job descriptions, standardised selection processes, and actively seeks to expand recruitment channels. The workplace environment is maintained as safe and inclusive for all employees, supported by anti-harassment policies and appropriate facilities.

All management positions are currently held by three men, reflecting the founder-led structure of the company. Silen is committed to equal opportunity in hiring and career development and intends to promote greater gender diversity at management level as the organisation grows.

B9 - Workforce - Health and safety

	2024	2025
Rate of recordable work related accidents in the reporting period	1,82020	0
Number of recordable work related accidents in the reporting period	1	0
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Number of days lost to work-related injuries, fatalities and ill health	2	0
Occupational safety Training (participation)	100%	100%

In 2025, Silen OÜ recorded no work-related accidents, resulting in a recordable accident rate of 0.00 and zero lost workdays. No fatalities were recorded. This represents a significant improvement compared to 2024, when one work-related accident occurred with a recordable rate of 1.82 and two lost workdays.

All employees receive occupational safety training as part of onboarding, with 100% participation achieved in both reporting periods. The company continues to focus on preventive measures to maintain this result over time.

B10 – Workforce – Remuneration, collective bargaining and training

	2024	2025
Employees receive pay equal or below minimum wage determined by national law or collective bargaining agreement	0	0
Percentage gap in pay between female and male employees	4%	3,5%
Percentage of employees covered by collective bargaining agreements	0%	0 %
Average number of annual training hours	4	4

Silen confirms that all employees receive pay that is equal to or above the applicable minimum wage as determined by national law. This reflects the company's commitment to fair, transparent, and legally compliant remuneration practices.

The gender pay gap for the reporting period was 3,5%. Given the small size of the organisation, this figure may fluctuate depending on changes in workforce composition. The company monitors pay levels and aims to ensure fair and equitable remuneration across all roles over time.

Currently, 0% of employees are covered by collective bargaining agreements. This is consistent with the company's size and organisational structure, where employment relationships are primarily governed by individual contracts. The company remains committed to maintaining open communication with employees and ensuring fair working conditions.

During the reporting period, Silen continued to invest in employee development. The average number of annual training hours per employee was 4 hours. However, a breakdown of training hours by gender is not yet available and will be developed in future reporting periods as data collection processes are improved.

Overall, these indicators reflect Silen's commitment to responsible employment practices, employee development, and the continuous improvement of its workforce-related policies and data collection processes.

C6 – Additional own workforce information - Human rights policies and processes

Silen's Code of Conduct establishes principles for ethical behaviour, human rights protection, and safe working conditions. These principles apply to all employees and are supported by a whistleblowing mechanism that enables individuals to report concerns confidentially or anonymously.
No breaches related to human rights or labour standards were identified during the reporting period.
These principles are also extended to the company's key suppliers through a Sustainability Code of Conduct, which has been signed by 100% of main suppliers.

(a) Does the undertaking have a code of conduct or human rights policy for its own workforce?
- YES

(b) If yes, does this cover:
- Child labour: YES
- Forced labour: YES
- Human trafficking: YES
- Discrimination: YES
- Accident prevention: YES
- Other: YES – The Code of Conduct also covers fair working conditions, equal treatment, and workplace safety principles.

(c) Does the undertaking have a complaints-handling mechanism for its own workforce?
- YES

C7 – Severe negative human rights incidents

During the reporting period, the company did not identify or record any confirmed human rights violations within its workforce or value chain. Preventive measures are supported through internal policies, monitoring practices, and awareness activities.

(a) Does the undertaking have confirmed incidents in its own workforce related to:
- Child labour: NO
- Forced labour: NO
- Human trafficking: NO
- Discrimination: NO
- Other: NO

(b) If yes, describe actions taken
- Not applicable

(c) Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers or end-users?
- NO

Governance metrics

B11 – Convictions and fines for corruption and bribery

In 2025, the company did not record any convictions, fines, or monetary penalties related to violations of anti-corruption or anti-bribery laws. There were no confirmed or suspected cases of corruption or bribery within the company's operations during the reporting period.

The company maintains a strict zero-tolerance approach to corruption and bribery. This principle is embedded in its Code of Conduct and ethical business guidelines, which apply to all employees, management, and business partners. The company promotes integrity and transparency in all business relationships and supports these principles through internal communication and awareness activities.

No incidents or breaches related to anti-corruption or anti-bribery practices were identified during the reporting year.

C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

Silen OÜ is not operating in and does not generate revenues from the sectors of controversial weapons, tobacco production, fossil fuels (coal, oil and gas), or the manufacture of pesticides and other agrochemical products.

The undertaking is not excluded from EU reference benchmarks aligned with the Paris Agreement.

C9 – Gender diversity ratio in the governance body

The governance body of Silen OÜ consists of three male members and no female members. Consequently, the gender diversity ratio is 3:0.

What comes next

Silen does not view sustainability reporting as a compliance exercise.

It is a tool to understand where impact occurs, where decisions matter most, and how the company remains competitive in a changing market.

As data quality improves, the focus shifts from reporting to decision-making — particularly across product design, materials, and the value chain.

The next phase will prioritise deeper data accuracy, stronger value chain transparency, and embedding sustainability into everyday business decisions.

Key Performance Indicators & Milestones

2025

- All production lighting was replaced with LEDs.
- Smart energy management solutions implemented in office and manufacturing.
- Packaging is optimized by reducing packaging weight, simplifying material combinations, and increasing the use of corrugated cardboard.
- First circular pilot product line launched.
- Analysis of recycled material shares completed.
- Systematic documentation of product component replacement cycles (5/10/15 years).
- Verified origin of all wooden materials used.
- Net zero in terms of Scope 2 emissions.
- All core raw material suppliers have signed the Silen Sustainability Code of Conduct.

2026

- Scope 3 greenhouse gas emissions measurement completed and baseline established; first public disclosure included in the 2026 ESG report.
- Launch a new product generation that reduces plywood usage to 15%, increases recycled material content to 30%, and achieves 90% recyclability of total product content.
- LCA/EPD assessments completed for all Silen office pods, with follow-up actions.
- Space Gen 2 product line launched, built on sustainability and circular economy principles.
- Sustainability performance assessments completed for all core raw material suppliers.
- EcoVadis rating improved from Bronze to Silver, reflecting continued progress in environmental performance, supply chain responsibility, and business ethics.

2027

- Scope 1 & 2 emissions reduced by 50%.
- Implement regional second-life solutions for used Silen products in all core markets.

2030

- Reduce Scope 1, 2, and 3 emissions by 50%.
- Complete transparency in ESG reporting with continuous improvement targets.