KOSKISEN

KOSKISEN

Sustainability Statement 2024

Sustainability Statement

Koskisen's Sustainability Statement has been prepared in accordance with the EU's Corporate Sustainability Reporting Directive. The report covers Koskisen's material sustainability topics for the entire Group and its value chain.

GENERAL DISCLOSURES

Koskisen's strategy, business model, administrative organization and double materiality assessment as well as its results.

ENVIRONMENTAL INFORMATION

Material information regarding Koskisen's energy use, biodiversity and ecosystems, and circular economy.

SOCIAL INFORMATION

Material information regarding Koskisen's employees and contractors.

General disclosures

In the heart of Koskisen’s growth strategy are creating value for customers, developing current operations and taking bold steps. Koskisen’s Sustainability Statement has been prepared on group level in accordance with Chapter 7 of the Finnish Accounting Act (1336/1997).

ESRS 2 General disclosures

General basis for preparation of sustainability statements

BP-1

Koskisen Corporation's sustainability statement has been prepared at the Group level in accordance with Chapter 7 of the Accounting Act (1336/1997). The scope of consolidation is the same as in the company's annual financial statements.

The sustainability statement covers the Group's own operations and the value chain as follows: Scope 3 greenhouse gas emissions upstream and downstream of the value chain in accordance with the GHG protocol. At the upstream value chain, the reporting of sustainability matters related to biodiversity covers the activities of contractors in areas where Koskisen is responsible for felling rights.

Koskisen has not excluded any information from the reporting.

Disclosures in relation to specific circumstances

BP-2

Koskisen has not deviated from the medium- or long-term time horizons defined in ESRS 1. The medium-term strategy period is four years and the long-term is more than five years.

In the calculation of Scope 3 greenhouse gas emissions in the value chain, sector-specific average emission factors have been utilised as indirect sources to estimate the upstream and downstream emissions of the value chain. The plan is to improve the accuracy of the calculations, for example, by requesting direct emission data from the value chain partners whenever possible. A description of the accuracy of the calculation, as well as the indicators, emission factors, methods and assumptions of the Scope 3 calculation, are specified in more detail in section E1-6 of the sustainability report Gross Scopes 1, 2, 3 and Total GHG emissions.

The quantitative results of biodiversity metrics are subject to uncertainties based on limited sampling. The uncertainty is particularly focused on sampling-based audits, i.e. the information is based on only a part of the management activities that have taken place, as the sampling method of internal audit has been used in the assessment. In the future, the reliability of the results will be improved by expanding the monitoring of the metrics to cover a larger number of management actions and to support the information with internal monitoring carried out on all management actions.

In the calculation of resource use and circular economy metrics, quantitative results are subject to uncertainties related to unit conversions. Due to the variability in wood density, cubic volume is used as the storage unit. In addition, not all primary data is available in mass-based form.

It is possible that the metrics include uncertainties that have not been identified, as not all data-related control points have been established during the first reporting year, and comparative monitoring data may not be available. No measurement uncertainty is associated with the monetary values reported.

As the reporting year is the first year of application, there are no reportable changes in the preparation and presentation of sustainability information compared to previous periods. Scope 3 reporting involves uncertainties and assumptions, which are described in Gross Scopes 1, 2, 3 and Total GHG emissions section of the sustainability report E1-6.

As the reporting year is the first year of application, there are no reportable changes in the preparation or presentation of sustainability information compared to previous periods.

No disclosures are provided based on other legislation or sustainability reporting frameworks

Koskisen Group relies on the ISO standards of the European standardization system in its quality, occupational health and safety, and environmental management systems.

The above-mentioned management systems have been verified by Kiwa Inspecta as follows: the Group's operations in Finland have been verified to comply with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 and in Poland to comply with the ISO 9001:2015 standard for Toporów's operations.

In sustainability report, the relevant certified processes are the risk management and stakeholder processes covered by the ISO 9001 standard. They will be integrated into the Group's sustainability system during 2025. These processes were not reviewed for 2024 as part of the integration of sustainability issues, as the development of the system was still in progress.

The metrics presented in the sustainability report are not verified in any other context than in connection with the assurance of the sustainability report, unless otherwise stated.

The role of the administrative, management and supervisory bodies

GOV-1

Composition of the administrative, management and supervisory bodies

Koskisen Corporation's governance consists of the Board of Directors, the Board's Audit Committee and CEO, supported by the Executive Board. The company complies with the Finnish Corporate Governance Code. The corporate governance principles are defined in the corporate governance principles approved by the company's Board of Directors.

The management, monitoring and reporting of impacts, risks and opportunities related to sustainability issues as part of the activities of the company's administrative, management and supervisory bodies is described below.

Board of Directors (Governing Body)

The duties and responsibilities of Koskisen's Board of Directors are determined under law or the Company's Articles of Association and other applicable legislation. The Board of Directors has rules of procedure that define the duties of the Board of Directors and its Chair.

The Board of Directors has general authority in all matters that have not been assigned to other governing bodies by law or the company's Articles of Association. The general task of the Board of Directors is to take care of Koskisen's administration and the appropriate organisation of its operations. The Board of Directors discusses sustainability-related issues regularly, in accordance with its annual cycle, and is responsible for the company's statutory sustainability report.

In 2024, the Chair of the Board was Pekka Kuusniemi (independent). The members of the Board were Eva Wathén (non-independent), Kari Koskinen (non-independent), Kalle Reponen (independent), Hanna Maria Sievinen (independent), and Hanna Masala (independent).

Audit Committee (Supervisory Body)

The Audit Committee of the Board of Directors is responsible for ensuring the arrangement, supervision and risk management of appropriate governance in accordance with the Finnish Companies Act. The majority of the members of the Audit Committee must be independent of the company, and at least one member of the Audit Committee must be independent of the company's significant shareholders.

The members of the Audit Committee in 2024 were Hanna Sievinen, Eva Wathén and Hanna Masala.

Executive Board (Management Body)

The CEO manages the company's operations in accordance with the instructions and orders issued by the Board of Directors and keeps the Board aware of the development of the company's business and financial situation.

The Executive Board supports the President and CEO in the implementation of the company's strategy and manages Koskisen's business as a whole, including sustainability aspects as part of the management business model. The members of Koskisen's Executive Management Team have extensive authority to operate within their own areas of responsibility, and they are obliged to develop Koskisen's business in accordance with the objectives set by the company's Board of Directors and the President and CEO.

As of 31 December 2024, the Executive board consisted of Jukka Pahta (Chief Executive Officer), Karri Louko (CFO), Tom-Peter Helenius (Director, Panel Industry), Tommi Sneck (Director, Sawmill Industry), Joonas Ojasalo (Director, Wood Supply and Bioenergy),

Minna Luomalahti (Director, Human Resources), Sanna Väisänen (Director, Sustainability and Corporate Communications) and Olli Nikitin (General Counsel).

In addition to the Executive Board, Koskisen's extended Executive Board also includes persons who coordinate other sustainability aspects (IT, quality, environment, safety, technical, services).

As of 31 December 2024, in addition to the core members described above, the extended Executive Board included Markku Lähteenmäki (Director of Quality, Environment and Safety), Teemu Similä (Head of IT), and Jarkko Veck (Chief Shop Steward).

The extended Executive Board meets four times a year. Through the representation of the Chief Shop Steward, employees are consulted and involved in the decision-making process within the extended Executive Board.

Composition of administrative, management and supervisory bodies	2024
Number of executive members	11
Number of non-executive members	6

Employees with employment relationship are represented in the expanded Executive Board, which includes the Chief Shop Steward as well as the Director of Quality, Environment and Safety. Employees are not represented on the Board of Directors or in the Audit Committee.

When preparing the composition of the Board of Directors, the members' educational and professional background, gender and international experience have been taken into account so that the Board of Directors has a broad and diverse representation of expertise and experience that supports Koskisen's operations. Women and men must be equally represented on the Board of Directors, as required by applicable regulation. In preparing its proposal, the Board has assessed that the proposed composition of the Board includes sufficient sustainability (ESG) expertise and experience, as required by the nature and scope of the company's operations at the time. The relevant experience is presented in the table below.
The members of the company's Board of Directors and its Audit Committee have relevant experience in the refining industry, corporate finance, international business and target markets, as well as in strategic planning and execution of business operations, which is relevant to the assessment of Koskisen's operations and sustainability impacts, risks and opportunities.

The company's CEO, as well as the Executive Board and the Extended Executive Board, have relevant experience in business management at the strategic level and at the level of the company's individual businesses, forestry, corporate finance, financing, risk management, human resources, and sustainability and communications matters, relevant to Koskisen's operations and the assessment of sustainability impacts, risks and opportunities.

The company's Board of Directors and Executive Board have access to the sustainability-related expertise of the company's in-house specialists.

Koskisen's Board of Directors has six (6) members, half (50%) of whom are women and half (50%) men. The average ratio is 1.0.

The Executive Board consists of eight (8) members, of which two (2 persons, 25%) are women and six (6 persons, 75%) men.

The extended Executive Board has a total of 11 members, of which two (2 persons, 18%) are women and nine (9 persons, 82%) men.

The Audit Committee has three (3) members, all of whom (100%) are women.

In 2024, the percentage of Board members who were independent of the company and significant shareholders was 67 per cent. The Board of Directors had four (4) members independent of the company and significant shareholders and two (2) members who were not independent of the company and significant shareholders.

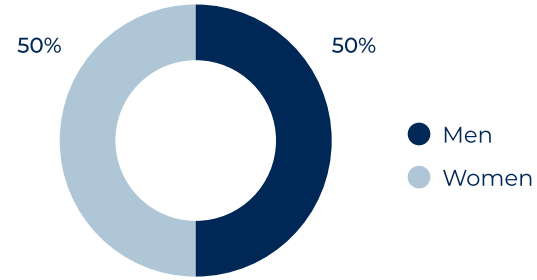
The Audit Committee monitors the impacts, risks and opportunities related to sustainability. The members of the Audit Committee in 2024 were Hanna Sievinen, Eva Wathén and Hanna Masala.

Koskisen's Governance Expertise and Experience

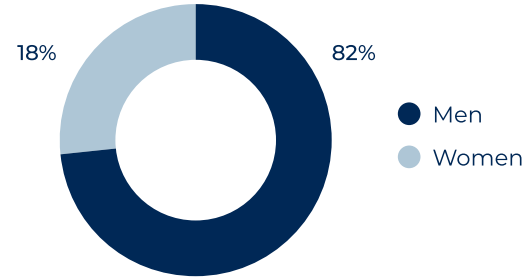
	Board of Directors	Extended Executive Board
Industry		
Forest Industry	●●●●●●	●●●●●●●●●●
Governance		
Board Experience	●●●●●●	●●●●●○○○○
CEO Experience	●●●●●○	●●○○○○○○○
Executive Management Experience	●●●●●●	●●●●●●●●●
Business and Sustainability		
Strategy and Business	●●●●●●	●●●●●●●●○
ESG and Green Transition	●●●●●●	●●●●●●●●○
Governance and Compliance	●●●●●●	●●●●●●●●○
Geographical Experience and Expertise		
Europe, Middle East, and Africa (EMEA)	●●●●●●	●●●●●●●○○
Americas	●●●○○○	●●●●●○○○○
Asia-Pacific (APAC)	●●●○○○	●●●●○○○○○

● Excellent ● Good ● Basic ○ No Experience

GENDER DISTRIBUTION, %
Board of Directors



GENDER DISTRIBUTION, %
Extended Executive Board



The responsibility of the Board of Directors, the Audit Committee and the Executive Board for sustainability-related impacts, risks and opportunities is taken into account in the Corporate Governance Principles, the Group's Operating Policy and the principles derived from it (Environmental Principles, Human Resources Principles and Risk Management Policy). The company's Board of Directors, Audit Committee and Executive Board play a key role in the management, supervision and reporting of sustainability issues.

Board of Directors

- Approves long-term sustainability goals, monitors their implementation, guides the company's management towards the goals
- Monitors and evaluates the link between sustainability work and the strategy and business model, as well as the performance of operations in relation to sustainability targets
- Approves principles or policies for material sustainability impacts

Monitoring: In accordance with the Board's annual cycle. Sustainability matters are reviewed once a year, in November for targets and measures, and in September for sustainability impacts, risks and opportunities. Individual areas of sustainability, related to personnel, safety and operating principles are examined as part of the related Group entities.

Audit committee

- Supervises the implementation and reporting of sustainability impacts
- Takes care of the risk management and internal control of sustainability impacts
- Reports to the Board of Directors

Executive Board

- Responsible for the implementation of the business strategy, taking into account sustainability perspectives
- Responsible for implementing sustainability actions as part of the business, ensuring sufficient resources
- Decides on the content and indicators of the Sustainability Programme based on material sustainability impacts
- Risks and opportunities related to material sustainability impacts are part of the corporate risk management (ERM) reported to the Executive Board, and the need for updating the double materiality assessment is also assessed in the review
- The development of material sustainability impacts has been linked to business or support functions and the responsibility of the director in question
- Reports to the Board of Directors

Extended Executive Board

- Monitors sustainability processes, such as short-term and long-term goals, measures and their results on a quarterly basis
- Hearing and involving the personnel in decision-making through the representation of the Chief Shop Steward
- Wider representation of sustainability aspects (IT, environment, quality, safety, technical services)
- Reports to the Board of Directors

Business and support functions

- Integrating sustainability matters into business and support functions
- Developing operations in accordance with sustainability goals
- Reporting on sustainability matters to the Executive Board
- Sustainability matters are reported to the extended Executive Board and coordinated by a core group on sustainability matters, consisting of representatives from the business units.

The controls and procedures for managing impacts, risks and opportunities are integrated into the business processes and operational management system, including internal and external audits and internal control. Sustainability-related risks and opportunities are managed as part of enterprise risk management (ERM), with sustainability aspects also reported to the Board of Directors.

The Executive Board sets targets that are approved by the Board of Directors and monitored by the Extended Executive Board. Progress towards the targets is reported annually to the Board of Directors.

The sustainability-related competence and expertise needs of the company's administrative, management and supervisory bodies are based on a general self-assessment conducted as part of the preparations for regulated sustainability reporting

and the related requirements to understand and manage material sustainability impacts, risks and opportunities.

The company's operational management is familiar with the key sustainability impacts of the industry and has participated in defining the related risks and opportunities. The operational management possesses expertise and understanding of sustainability reporting and the related regulatory requirements.

When forming the Audit Committee, the members' experience and competence related to sustainability matters and their reporting have been taken into account. The company's Board of Directors possesses experience and expertise from various industries, including the integration of corporate sustainability aspects into business operations. The Board of Directors, the Audit Committee, and the operational management engage in ongoing dialogue regarding sustainability impacts, the related financial risks and opportunities, and their strategic linkage and governance through the business model. The company also utilises external expertise, when necessary, to strengthen internal capabilities and to support the development of sustainability processes, reporting, and operating models.

The assessment of required competence and expertise is systematically taken into account as part of the evaluation and selection criteria for new members of the administrative, management and supervisory bodies.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

GOV-2

The administrative, management and supervisory bodies regularly address matters related to material sustainability matters. The Board of Directors convenes 8–12 times per year. The Director of Sustainability and Communications reports annually to the Board on the progress of the company's sustainability objectives and actions. The Director of Quality, Environment and Safety reports once a year to the Board on sustainability impacts, risks, opportunities, and stakeholder perspectives as part of the Group's enterprise risk management (ERM) reporting. The Board reviews the double materiality assessment and approves the statutory sustainability statement.

The Group Executive Board meets on a monthly basis. Sustainability topics are presented by the Director of Sustainability and Communications and are included on the Executive Board's agenda as needed. In the extended Executive Board, sustainability topics compiled by the Group's business units — including the entire Due Diligence process — are addressed on a needs-based basis.

The Board of Directors, the CEO, and other members of management are responsible, as part of their duty of care in decision-making, for ensuring that material sustainability impacts, risks, and opportunities — as well as any related trade-offs — are taken into account in strategic decisions within their scope of authority, including major transactions and investments. The outcomes of the double materiality assessment have been utilised in the company's strategic planning.

The administrative, management and supervisory bodies have reviewed the results of the double materiality assessment process, including the material impacts, risks and opportunities. Matters related to occupational safety and personnel are addressed as part of Group-level processes by all governance bodies. A detailed list is provided in section SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.

Integration of sustainability-related performance in incentive schemes

GOV-3

Koskisen does not have remuneration schemes that are exclusively linked to sustainability matters. Climate-related aspects are not currently reflected in the company's remuneration practices.

The company has both short- and long-term incentive schemes for members of its administrative, management and supervisory bodies, including members of the Management Team and the extended Management Team. These schemes include sustainability performance indicators alongside other metrics. The incentive schemes are designed to support the company's value creation, long-term financial success, and implementation of its business strategy. They are based on the remuneration policy that governs the remuneration of the CEO and the Board of Directors, which is approved by the Board and presented at the General Meeting.

In 2024, the short-term incentive programme for members of the Management Team and the extended Management Team included sustainability-related indicators: occupational safety (LTA1) and employee well-being (overall score and response rate of the employee well-being survey).

The sustainability remuneration indicators of the Executive Board and the Extended Executive Board are based on performance indicators set annually. Short-term performance indicators, target levels and weights, including sustainability-related indicators, are set annually by the company's Board of Directors in accordance with the Remuneration Policy. The long-term incentive scheme consists of performance periods of several financial years, for each of which the Board of Directors decides separately on an annual basis on the performance criteria and related targets.

The sustainability-related performance indicators included in the incentive scheme for the Executive Board and the extended Executive Board form part of the Group-level short-term targets. In 2024, their weighting was as follows: employee well-being 10% and occupational safety 10%. Both indicators relate to sustainability topics concerning the company's own workforce. The remaining Group-level performance indicators were the Group's adjusted IFRS EBITDA (60%) and revenue (20%).

The incentive schemes are based on the remuneration policy prepared and presented by the Board of Directors and submitted to the General Meeting for consideration. The remuneration policy is presented to the General Meeting at least once every four years.

Statement on due diligence

GOV-4

Koskisen's due diligence process related to sustainability matters is an integral part of the continuous management and assessment of sustainability impacts, risks and opportunities. The company's processes for managing sustainability impacts have been updated during 2023–2024 to align with the disclosure requirements of the ESRS standards. Koskisen has identified, assessed and established procedures for managing its sustainability impacts in relation to the topics covered by the ESRS standards. The process is continuous and subject to annual review. This includes the annual identification of relevant sustainability-related regulations and stakeholder expectations, which are integrated into the company's operations where applicable. The management of sustainability impacts covers action plans, indicators, targets, results, and the evaluation of effectiveness and resourcing in relation to the sustainability impacts identified through the double materiality assessment. These are reported annually in accordance with the ESRS standards.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies. SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2 Interests and views of stakeholders. E1-2 Policies related to climate change mitigation and adaptation. ESRS E4-2 Policies related to biodiversity and ecosystems ESRS E5-1. Policies related to resource use and circular economy and ESRS S1-1 Policies related to own workforce.
c) Identifying and assessing adverse impacts	ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting. IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.
d) Taking actions to address those adverse impacts	ESRS E1-3 Actions and resources in relation to climate change policies. E4-3 Actions and resources related to biodiversity and ecosystems. ESRS E5-2 Actions and resources in relation to resource use and circular economy. ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies. E1-4 Targets related to climate change mitigation and adaptation. ESRS E4-4 Targets related to biodiversity and ecosystems. ESRS E5-3 Targets related to resource use and circular. ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

Risk management and internal controls over sustainability reporting

GOV-5

Sustainability reporting complies with the Group-level principles and processes of statutory reporting, risk management and internal control. The internal control of sustainability reporting is based on the identification, analysis and targeting of control to the most material identified risks.

Risks in sustainability reporting are part of Group-level corporate risks (ERMs).

The effectiveness of sustainability reporting controls is reviewed once a year as part of internal monitoring. The results are monitored as part of the Group's continuous improvement, which is reported to the Group Executive Board. The effectiveness of internal control is monitored as part of management reviews.

Koskisen's risk management process follows the principles of the ISO 31000 standard and the indicative process. The Ministry of Social Affairs and Health's 2015 risk model, which has been integrated into the continuous development tool, is utilised in the assessment of work-related risks.

The main identified risks in sustainability reporting are the accuracy of the reported information and the adequacy of resources and expertise in a small organisation. To ensure the accuracy of the reported data and the sufficiency of resources, the organisation has established a model that defines the roles and responsibilities for sustainability reporting. The processes required for producing reportable data have been integrated into the business processes of the respective units.

To ensure the accuracy and timeliness of data reported from the company's own operations and value chain, internal controls will be implemented during 2025. These controls will be part of the common business processes, and their systematic monitoring will be defined and developed in cooperation during 2025 between Finance, Sustainability and Communications, and the business units responsible for producing the data. Some elements of the internal control processes are already being applied to the 2024 data.

During the first reporting year, risks related to sustainability reporting have been identified and addressed as part of the reporting process in cooperation between the Audit Committee and the persons responsible for sustainability reporting.

Risk assessments and internal control observations related to sustainability reporting are addressed within the enterprise risk management (ERM) system, which includes the description of risks, the potential impact and likelihood of their occurrence, mitigation measures, and designated responsible persons.

Risks related to sustainability reporting are reported to the administrative, management and supervisory bodies as part of enterprise risk management (ERM). For the year 2024, sustainability reporting risks have not yet been addressed comprehensively within the ERM framework; instead, they have been identified and discussed as part of the ongoing sustainability process.

Strategy, business model and value chain

SBM-1

Koskisen processes wood raw material into sawn timber, plywood and chipboard (circular economy, climate). Wood Procurement mainly buys wood raw material from private landowners and offers forest management and regeneration services (biodiversity). There have been no changes in the business model. The company's strategy has been updated in 2024 and it is tied to key sustainability issues.

Koskisen's customers are mainly direct customers in the logistics, construction, automotive, die-cutting, furniture, interior decoration, packaging and chemical forest industries, among others. In addition, a smaller proportion of Koskisen's products are sold to wholesalers and distributors. Koskisen sells a limited number of thin plywood and veneer products directly to consumers through its own online store. The Kore brand's customers operate mainly in the automotive industry, to which Koskisen supplies floor, wall and roof panel sets, wheel arches and accessories.

Headcount of employees by geographical areas

	2024
Finland	796
Poland	131
Other	16
Headcount of employees in total	**943**

Revenue by ESRS topic and segment

Revenue, EUR	2024
Revenue	282,262,482.57

Koskisen is not active in the sectors related to fossil fuels, chemical production, controversial weapons, or tobacco cultivation and production, and there is no income from these industries.

Revenue from activities related to the following sectors		Revenue
Fossil fuels	No	-
Chemical production	No	-
Controversial weapons	No	-
Tobacco cultivation and production	No	-

Koskisen's sustainability goals by 2027	Perspectice
We are reducing our own and our value chain's CO_2 emissions compared to the year 2022: Scope 1 and 2 emissions by 50%, and Scope 3 emissions by 20%.	All product groups, all customer segments, and all geographical regions.
Taking into account operations-supporting ecosystem services – 88% certified wood raw material	All product groups, all customer segments, and all geographical regions.
Efficient and optimised use of wood raw material – Wood raw material efficiency for long-lasting wood products 60%	All product groups, all customer segments, and all geographical regions.
Reduction of accidents – Accident frequency rate LTA1 < 5	Relations with own workforce
We support employee well-being and competence development. The employee well-being survey score 4,0/5,0.	Relations with own workforce

Koskisen's operations are based solely on the sustainable sourcing and processing of wood into carbon-sequestering wood products for different product categories, customer categories and markets. Because the procurement, processing, storage and transport of wood have an impact on the climate and the biodiversity of the forest environment, Koskisen has set sustainability targets for its operations, especially related to the reduction of greenhouse gas emissions and biodiversity.

From the perspective of sustainability, Koskisen has defined wood wisdom as the basis of its strategy for 2024–2027, which means that the forest, the people connected to Koskisen's operations, and society are considered partners in operations. The growth sought in the strategy takes place by creating value for the customer, developing current operations and taking bold steps.

Value is created for customers by helping them mitigate climate change and adapt to the future through their products and services. From the perspective of sustainability, the development of current operations means, in particular, the promotion of a safe working environment and the improvement of well-being at work and competence.

Koskisen is not based in an EU Member State that would allow an exemption from the disclosure of information referred to in Article 18(1)(a) of Directive 2013/34/EU22.

Koskisen is a Finnish wood processing company whose value chain extends from wood procurement to the customer use of wood-based products. The main raw material is wood, which Koskisen processes into sawn timber, panel products and wood products with high added value, among other things. Wood wisdom is at the core of sustainable business. The entire value chain from wood harvesting to end products is designed around synergistic and sustainable material flows.

Koskisen procures mainly certified wood as raw material from Finnish private forest owners in accordance with the principles of wood procurement.

Koskisen's own industrial operations focus on the manufacture of sawn timber, panel products and other products with high added value. The Panel Industry offers customized high-quality panel solutions. The Panel Industry's net sales consist of the sale of plywood, chipboard, thin plywood and veneer, as well as optimised van interior solutions. The Sawmill Industry offers sawn timber and further processed products made from high-quality wood raw material. The Sawmill Industry's net sales consist of

the sale of sawn timber and further processed timber, as well as by-products of wood procurement for the pulp and paper industry and bioenergy for several power plants. As an investment, Koskisen operates in the mechanical wood processing industry with a unique integrated operating model. This model, along with its synergistic functions, enables high material and overall efficiency, thereby supporting profitable growth.

Operations at the upstream of the value chain are intrinsically linked to forest management operations. Cooperation with forest owners and subcontractors offering management services is key. Wood procurement complies with the requirements set by the PEFC or FSC chain of custody certificates, which ensures that the wood is harvested in accordance with forest certification requirements that take biodiversity into account. In addition, a chain of custody system that enables the traceability of wood is used in all procurements.

Koskisen's ability to create value is based on a material-efficient and integrated value chain from forest to end product. An integrated operating model is based on interconnected processes that form a business model from wood procurement through production to finished products. The entire value chain is designed around synergistic material flows and an agile operating model, which enables the use of raw materials from different sources.

Koskisen's production facilities are located in Järvelä and Hirvensalmi in Finland and in Skwierzyna and Toporów in Poland. The Group's main market area is Finland and the rest of the EU. Koskisen's customers include operators in the logistics, construction, automotive, stamping, furniture, interior decoration, packaging and chemical forest industries. The company exports to a total of about 70 countries.

Potential sustainability-related impacts, risks and opportunities in relation to the business model and value chain are described in table SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.

Financial information related to the business segments is presented in notes to the consolidated financial statements in Note 2 Segment information and revenue.

Interests and views of stakeholders

SBM-2

Koskisen engages in dialogue with its key stakeholders and develops its operations, strategy and business model based on stakeholder feedback and expectations. The interests, perspectives and rights of Koskisen's employees are an integral part of the company's strategy and business model. Koskisen aims to be a sustainable growth-oriented employer, with related goals including being the best employer in the sector and region, fostering meaningful work, promoting employee well-being and competence, supporting diversity and equality, and offering the opportunity to own shares in the company. Koskisen's key stakeholders, the purpose, forms and content of stakeholder dialogue, and how this dialogue is taken into account in the company's operations are presented in the following table.

Stakeholder	Stakeholder interaction	Purpose of interaction	Relevant themes	Impact on operations, business model, and strategy
Nature and NGOs acting on its behalf	Identification of impacts. Ongoing dialogue with organisations, monitoring of activities, and engagement with diverse viewpoints through different events and platforms.	Minimising adverse effects on forest ecosystems and promoting positive impacts on biodiversity.	Safeguarding diverse forest environments and the ecosystem services they provide in the future. Environmental impacts: – Greenhouse gas emissions – Wastewater treatment – Stormwater collection systems – Waste management (further utilisation of waste fractions as raw materials or for energy) Increasing biodiversity-enhancing actions, including measures that go beyond certification requirements and are based on scientific research.	Wood is sourced as certified, and all operations are carried out in accordance with defined minimum requirements.
Own workforce	Dialogue, consultation, information sharing, and communication	Collaboration and development	Balanced and continuous workload across economic cycles, occupational safety and well-being, fair compensation, competence development, and good working conditions	Securing the availability of workforce and preserving jobs. Goal-oriented development of safety culture and employee well-being.
Local communities	Information sharing, and communication	Collaboration and development	Employment, local reputation/recognition, and environmental factors (nature, noise, pollution). Employment impact, sense of well-being and safety for local residents, tax revenue, and purchasing power. Impacts on employment and competence in factory locations. Small-scale support for local clubs and associations. Environmental impacts are considered both in industrial operations and wood sourcing. Pollution prevention and landscape impact management are also taken into account.	Local communities are taken into account and their voices are heard in decision-making.
Customers and end-users	Collaboration, partnership	Providing high-quality products and advancing both operations and product development.	Long-lasting, carbon-binding products made from renewable raw materials that are traceable and have a known origin. The products must be safe and of high quality, suitable for their intended use, fossil-free, recyclable, competitively priced, and compliant with all applicable requirements. Supply chain audits, certifications, and other systems are used to ensure responsibility and sustainability throughout the value chain. Material efficiency, circular economy principles, and high value-added processing are key. Transparent product information about impacts and raising customer awareness through environmental labelling are essential. Koskisen brand (products).	Carbon footprint, product information, reducing the product-specific carbon footprint, circular economy, material efficiency, and recyclability.

Stakeholder	Stakeholder interaction	Purpose of interaction	Relevant themes	Impact on operations, business model, and strategy
Researchers, academic institutions, and students	Co-operation, assimilation of research-based knowledge	Learning and innovation	Innovation and development work, especially in the field of circular economy, with a focus on increasing the degree of processing through innovation. Creating job opportunities for graduates, and raising awareness among students about working life and its demands. Two-way dialogue – bringing students' perspectives to employers. Collaboration to develop the industry, and sharing knowledge for research purposes.	Innovation of new circular economy products in partnership with others. Collaborative efforts also help secure workforce availability for positions where formal training does not yet exist.
Forest owners	Information sharing, communication, customer relations, and meetings	Sourcing of raw materials, advising forest owners towards sustainable forestry practices, and providing support when needed — for example, in conservation measures.	Responsible sourcing of raw materials (including consideration for biodiversity and prevention of environmental degradation). Ensuring the growth and regeneration of future forests. Knowledge of diverse forest management practices and a wide range of expert services to support the goals of forest owners.	Safeguarding the long-term supply of raw materials
Shareholders and financial institutions	Meetings and communication	Securing and developing operations while creating shareholder value.	Success in ESG themes and integration of sustainability impacts into financing conditions. Risk management from a sustainability perspective. Development of shareholder value, continuity, predictability, transparent communication, and continuous improvement.	Profitability and transparency as the foundation for operations and continuous development.
Advocacy and industry associations	Co-operation	Promoting the development and resilience of the industry	Impacts on the vitality of forestry sector, influencing regulation through collaboration, ensuring and strengthening consistent practices across the industry, and sharing knowledge.	Securing the conditions for continued business operations in a changing operating environment.
Subcontractors, suppliers, and service providers	Collaboration, supply chain management, and meetings	Mutual collaboration to ensure stable operations and advance product development, particularly in terms of sustainability	Predictability and continuity of work, fair practices (improving the overall image of the industry), open communication. Margins are often small, creating the risk of exploitation within the supply chain – ensuring sufficient margins is essential. Providing information, support, and training when needed to promote responsible practices. Collaboration in areas such as equipment procurement or supporting the development of new solutions.	Securing the prerequisites for long-term business continuity through cooperation. Advancing circular economy practices and low-carbon development.

Understanding of stakeholder perspectives

The views of stakeholders were utilised in Koskisen's double materiality assessment carried out in 2023, on the basis of which Koskisen defined the sustainability matters that are material to the company's operations. The most significant sustainability matters were related to the procurement of raw materials.

Stakeholder feedback that emerged in the double materiality analysis:

- Biodiversity protection was considered the most material topic. Stakeholders encouraged the company to recommend more biodiversity-conscious forest management and harvesting services to its wood procurement customers, i.e. forest owners.
- Forest damage and EU regulation were identified as the most significant future drivers of increasing raw material prices – highlighting the need to increase the value generated from end products.
- The Zero furniture board was highlighted as an example of an innovative product, and stakeholders expressed the need for more such solutions in the future. From a sustainability perspective, the Zero board stands out for its recyclability and low VOC indoor emissions. In sawn timber products, key focus areas include forest certification and supply chain audits.
- Circular economy innovations were also brought up; stakeholders expressed a desire to find higher value-added applications for by-products, rather than using them solely for bioenergy.
- The new sawmill was viewed positively also from a sustainability perspective: it enables material efficiency gains by allowing the processing of smaller logs. Other investments improving material efficiency, such as the new log sorting line and the barkless veneer lathe, were also mentioned as positive developments.
- The company's role as the most significant industrial employer in Kärkölä and the surrounding areas was seen as having a clear and positive local impact, which was unanimously acknowledged by the interviewed stakeholders.

Further information on the double materiality assessment is provided in the Material impacts, risks and opportunities and their interaction with strategy and business model section.

The stakeholder perspectives of nature, customers, owners and its own workforce have contributed to strengthening the company's perceptions of the forces of change and opportunities in the operating environment and have influenced Koskisen's strategic planning for the period 2024–2027. A comprehensive analysis of the operating environment, including stakeholders, is part of Koskisen's normal strategic planning practice, and the company has not made any stakeholder-centric changes to its strategy or operating model based on the double materiality assessment.

Stakeholder perspectives and interests regarding the company's sustainability impacts are taken into account as part of the materiality assessment, which is approved by the company's administrative, management and supervisory bodies. Stakeholders are also considered annually as part of an ongoing process within Koskisen's management system.

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

SBM-3

E1 CLIMATE CHANGE

Impacts	Type of impact	Time horizon	Value chain	Description
Climate change mitigation				
Emissions from vehicles involved throughout the value chain (including transport of finished products)	Negative impact	All time horizons	Entire value chain	Diesel-powered forestry machinery, along with truck, rail, and maritime transport related to logistics, generate greenhouse gas emissions (Scope 3). In the longer term, fleets based on electricity, biofuels, and synthetic fuels have the potential to reduce these impacts. Additionally, the production processes of both synthetic and wood-based fertilizers used in forestry may also contribute to emissions.
Lifecycle emissions from panel products, adhesives and coatings, plastics and metal raw materials	Negative impact	All time horizons	Upstream	Traditional binders and coatings are traditionally fossil-based and thus cause greenhouse gas emissions. During the production of plastic and metal raw materials, emissions are also generated (Scope 3).
Direct greenhouse gas emissions from production facilities	Negative impact	All time horizons	Own operations	The power plants owned by Loimua, the power plants in Järvelä, the chipboard mill's chip dryer, and other similar instances (with wheel loaders and forklifts) cause greenhouse gas emissions (Scope 1).
Reduction of forest carbon stocks and soil carbon sinks due to harvesting and forest management activities	Negative impact	All time horizons	Upstream	Koskisen's operations, positioned at the upstream end of the value chain, are closely linked to harvesting and forest management activities (including potential ditch network maintenance). These activities result in changes to land cover (such as tree stands and other vegetation), which can temporarily reduce the natural carbon sink capacity of forest areas. The extent of this impact varies significantly depending on the site type and forest management methods applied.
The carbon sequestered by forests is stored long-term in Koskisen's wood products.	Positive impact	All time horizons	Own operations	Koskisen's long-lasting wood products act as carbon sinks by storing biogenic carbon, temporarily removing it from the atmosphere and mitigating its climate warming effect. This includes production side streams like sawdust and chips used in furniture panel manufacturing.
Positive impacts of forest management practices on natural carbon sinks	Positive impact	All time horizons	Upstream	Koskisen offers forest management services to forest owners to promote carbon sequestration and encourages forest regeneration. A well-managed forest – with carefully timed and planned thinning and final felling operations (adapted to site conditions, rotation periods, and carbon sequestration potential) – improves forest growth and health, thereby enhancing its capacity to sequester carbon.
Development of low-emission products that enable emission reductions for the customer	Positive impact	All time horizons	Downstream	When a customer chooses the Zero particleboard or a comparable product in which bio-based binders replace more carbon-intensive fossil-based alternatives, a Scope 3 emission reduction is achieved compared to traditional products.
Energy				
Indirect greenhouse gas emissions from purchased electricity (Scope 2)	Negative impact	All time horizons	Upstream	Approximately 81% (in 2022) of the operational carbon footprint originates from the consumption of grid electricity. The emission intensity of grid electricity depends on the energy mix used in its production. As the share of renewable energy sources increases, this impact could be significantly reduced in the future.
Emission reductions achieved through renewable energy production	Positive impact	All time horizons	Own operations	In 2022, 96% of the heat energy used by Koskisen was already from renewable sources. An investment in a solar power plant will further increase the share of renewable electricity consumption in the future.
Emission reductions through energy savings – improving energy efficiency in own operations	Positive impact	All time horizons	Own operations	Koskisen joined the Energy Efficiency Agreement for Industries, coordinated by the Confederation of Finnish Industries, in 2016. The company is committed to the energy-intensive industry action plan for the period 2017–2025. To date, energy efficiency measures have included, for example, switching to LED lighting, avoiding unnecessary idling of production machinery, and applying energy efficiency criteria in equipment procurement. All energy-saving actions reduce the overall need for energy, which in turn leads to lower greenhouse gas emissions from energy production.

Risks and opportunities	Risk / opportunity	Time horizon	Value chain	Description
Climate change mitigation				
Opportunities related to the transition to a low-carbon society – growth in demand for wood construction and wood-based products	Financial opportunity	Medium term	Downstream	If the construction industry begins to shift away from more emission-intensive concrete structures toward wood construction—driven by changes in customer behavior or regulatory reforms—demand for Koskisen's products may increase. This growing demand would likely have a positive impact on cash flows, both for Koskisen and the broader sector, and as future prospects improve, it may also enhance access to financing as well as influence its cost and terms. However, the most long-lasting products are not always the most profitable option under shifting market conditions, which can make it challenging to set clear targets and plan production accordingly.
Regulatory risks related to the preservation of carbon sinks (transition risks) – harvesting restrictions	Financial risk	Medium term	Upstream	Koskisen's manufacturing operations (panel and sawmill industries) are highly dependent on wood raw material. EU and national legislation is expected to impose long-term restrictions on harvesting (e.g., to meet the climate targets set out in Finland's Climate Act). Any disruptions in the availability, price, or quality of wood raw material would likely have a broad impact on operational cash flows and the value of assets. In a deteriorating market outlook, these factors could also affect the availability, cost, and terms of financing.
Climate change adaptation				
Risks related to the physical impacts of climate change may disrupt the availability of raw materials	Financial risk	Medium term	Upstream	Koskisen's manufacturing operations (panel and sawmill industries) are highly dependent on wood raw material. Climate change may have adverse effects on forest growth and health due to rising average temperatures. These effects may include forest damage, wildfires, storms, compacted snow, reduced forest growth, warmer winters, and increased vulnerabilities. Disruptions in the availability, price, or quality of wood raw material would likely have wide-ranging impacts on operational cash flows and asset values. In the event of a weaker market outlook, such disruptions could also negatively affect the availability, cost, and terms of financing.
Energy				
Opportunities for energy self-sufficiency achieved through own energy production	Financial opportunity	All time horizons	Own operations	Because e.g. it is possible to produce electricity in connection with heat production, energy self-sufficiency can improve. Energy self-sufficiency increases the buffer against future energy supply disruptions. Also a positive impact on profitability from the perspective of utilising energy subsidies.
Energy efficiency opportunities	Financial opportunity	All time horizons	Own operations	If the reduction in energy use can be achieved by improving energy efficiency per cubic metre produced, cost savings will be achieved that improve margins

E4 BIODIVERSITY AND ECOSYSTEMS

Impacts	Type of impact	Time horizon	Value chain	Description
Impacts on the extent and condition of ecosystems				
Negative impacts on biodiversity caused by land cover changes related to forest management and harvesting operations	Negative impact	All time horizons	Upstream	Koskisen's operations, positioned at the upstream end of the value chain, are closely linked to harvesting and forest management activities. These activities result in changes to land cover (including tree stands, other vegetation, and the condition of water bodies) and reduce the connectivity of species and ecological values. Such impacts broadly affect the natural capacity of terrestrial and aquatic ecosystems to maintain biodiversity.
Risks and opportunities	**Risk / opportunity**	**Time horizon**	**Value chain**	**Description**
Impacts on the extent and condition of ecosystems				
Regulatory risks related to biodiversity preservation (transition risks) – restrictions on the use of natural resources	Financial risk	Medium term	Upstream	Koskisen's manufacturing operations (panel and sawmill industries) are highly dependent on wood raw material. The decline in biodiversity may lead to regulatory restrictions at the EU or national level regarding the use of natural resources. Disruptions in the availability, price, or quality of wood raw material would likely have broad impacts on the company's cash flows and asset values. In the event of a weakening market outlook, such disruptions could also affect access to financing as well as its cost and terms.
Voluntary biodiversity conservation measures that may reduce the availability of wood raw material (transition risks)	Financial risk	Medium term	Upstream	Koskisen's manufacturing operations (panel and sawmill industries) are highly dependent on wood raw material. The decline in biodiversity may lead to regulatory restrictions at the EU or national level regarding the use of natural resources. Disruptions in the availability, price, or quality of wood raw material would likely have broad impacts on the company's cash flows and asset values. In the event of a weakening market outlook, such disruptions could also affect access to financing as well as its cost and terms.
Direct impact drivers of biodiversity loss (invasive alien species, others)				
Physical risks to raw material availability caused by negative biodiversity impacts	Financial risk	Medium term	Upstream	The decline in biodiversity negatively affects forest health, making forests more vulnerable to damage and reducing the availability of wood. For example, the absence of natural predators of harmful insects or the dominance of a single tree species can increase susceptibility to pests and other forest disturbances. This can lead to reduced wood supply and, consequently, higher raw material prices.

E5 CIRCULAR ECONOMY

Impacts	Type of impact	Time horizon	Value chain	Description
Resources inflows, including resource use				
Reducing natural resource depletion and advancing circular economy principles through the use of production side streams in product development	Positive impact	All time horizons	Own operations	Various side streams from sawing and forest management (such as sawdust, logging residues, etc.) are utilized in panel industry, helping to slow down the depletion of primary resources and natural raw materials.
Reducing natural resource depletion through the use of production side streams in energy and heat production	Positive impact	All time horizons	Own operations	Various side streams from sawing and forest management (such as sawdust, logging residues, etc.) are used in heat production, reducing the need for external or fossil fuels in the process.
Reducing natural resource depletion and advancing circular economy through recycling	Positive impact	All time horizons	Own operations	For example, new uses are identified for offcuts from sawn timber and other recyclable waste materials. Recyclability and sustainability are also considered in procurement processes.
Risks and opportunities	**Risk / opportunity**	**Time horizon**	**Value chain**	**Description**
Resources inflows, including resource use				
Improved profitability through increased utilisation of side streams and recycled materials, as well as enhanced material efficiency	Financial opportunity	All time horizons	Own operations	From a material efficiency perspective, reducing the material input-to-output ratio improves cost-efficiency. Identifying new applications and opportunities for utilizing side streams or by-products in higher value-added products can have a positive impact on revenue and profitability. Similarly, the use of recycled materials in new (panel) products may also contribute positively to both revenue and profitability.
Transition risks associated with the circular economy – uncertainty around the legal classification of industrial side streams	Financial risk	Medium term	Own operations	The relative difficulty of utilising Koskisen's side streams (e.g., in particleboards) may increase if future legislation begins to prioritize recycled materials over industrial side streams.
Resource depletion risks concerning critical inputs, such as wood, water, adhesives, coatings, metals, and plastics	Financial risk	All time horizons	Upstream	Koskisen's manufacturing operations (panel, sawmill, and housing industries) are highly dependent on wood raw material and a range of other resources. Over the long term, resource depletion may lead to the scarcity of certain inputs, which in turn can affect both prices and availability. This may result in a permanently higher cost level, and if outlooks weaken, it could also lead to more limited access to financing or less favorable financing terms.
Resource outflows related to products and services				
Circular economy transition opportunities – increased demand for renewable, wood-based products	Financial opportunity	Medium term	Downstream	Various EU or national level regulations related to material efficiency and recycling requirements – as well as changes in customer behavior – may increase demand for wood-based products suitable for reuse. This could lead to higher revenue and improve the market value of the company's shares as future prospects strengthen.

S1 OWN WORKFORCE

Impacts	Type of impact	Time horizon	Value chain	Description
Working conditions – health and safety				
Negative effects on employee health	Negative impact	All time horizons	Own operations	Various work-related hazards, accidents and work-related health problems: physical (accidents, heat, noise), ergonomic (poorly adjusted workstations, difficult trajectories) and chemical and particulate matter (exposure to substances hazardous to health, e.g. birch wood dust if inhaled, carcinogenic + other chemicals harmful to health, production consumables) negative effects on workers' health.
Positive impacts on employee health and well-being	Positive impact	All time horizons	Own operations	Various health promoting aspects: well-organised occupational safety and safety development measures, access to occupational health care, various counselling services.
Own workforce				
Positive impacts related to Koskisen's position as a significant industrial employer in the surrounding area	Positive impact	All time horizons	Own operations	Koskisen is one of the largest employers in the Päijät-Häme region, creating/supporting the well-being and purchasing power of employees living in nearby areas. In addition, the work generates tax revenue, which in turn supports not only the residents and livelihoods of the local area, but also the well-being of employees and their close friends.

Risks and opportunities	Risk / opportunity	Time horizon	Value chain	Description
Working conditions – health and safety				
Risks related to negative effects on safety and health	Financial risk	All time horizons	Own operations	If realised, accident and damage risks at production facilities could lead to Koskisen's obligation to compensate for damages and delay or disrupt the delivery of Koskisen's products and services. Judgments/fines related to possible negligence.
Own workforce				
Opportunities for a positive employer image	Financial opportunity	All time horizons	Own operations	Koskisen's ability to produce results depends on the availability and retention of skilled and motivated personnel. A positive employer reputation can promote recruitment and retention, improving operational stability and thus financial predictability, reducing the risk of loss of income due to labour shortages.
Freedom of association				
Risks posed by industrial action, such as strikes	Financial risk	All time horizons	Own operations	Koskisen's ability to make a profit depends on the work input of its skilled personnel. In the event of a strike or other industrial action, operations may come to a complete standstill, causing delays in deliveries and loss of income

Material impacts, risks and opportunities in relation to Koskisen's strategy, business model and value chain have been discussed as part of the company's double materiality assessment.

Koskisen's most material sustainability matters are directly related to Koskisen's strategic choices, value chain and business model. Climate change mitigation and adaptation, safeguarding biodiversity, transitioning to a circular economy, and topics related to the working conditions and safety of its own workforce are part of Koskisen's strategic planning. Changes in these themes are identified in the due diligence process and, if necessary, implemented in the Group's strategic planning in a proportionate manner based on their significance. This will ensure Koskisen's ability to react to the impacts that may result from changes in material sustainability topics.

According to the company's understanding, its strategy for the period 2024–2027, which is based on wood wisdom, its business model and value chain, take into account material sustainability topics and related impacts, risks and opportunities. The sustainability topics identified and confirmed in the strategy were already taken into account in the preparation of Koskisen's strategy before the double materiality assessment, and no changes have been made to the strategy or business model based on them, and there are no plans to anticipate or significantly respond to the impacts by adjusting the business model or strategy.

Sustainability impacts affect people through own workforce (S1). The positive effects include effects on employees' health and well-being as well as on employment in Koskisen's production locations. The negative effects focus on occupational safety and health. Sustainability impacts affect nature through climate change (E1), biodiversity and ecosystem services (E4) and the circular economy (E5).

From the perspective of climate change, the positive effects include the storage of carbon sequestered by forests in Koskisen's wood products, emission reductions achieved through renewable energy production, emission reductions through energy savings, improving energy efficiency in our own operations, the positive effects of forest management measures on natural carbon sinks, and the development of products with lower emissions that enable the customer's emission reductions. Negative impacts include emissions from vehicles related to wood procurement and transport throughout the value chain (including the transport of finished products), direct greenhouse gas emissions from production facilities, lifecycle emissions from adhesives and coatings for flat products, plastic and metal raw materials, indirect greenhouse gas emissions from the production of purchased electricity (Scope 2), and the reduction of forest carbon stocks and soil carbon sinks in harvesting and forestry.

From the perspective of biodiversity and ecosystem services, the negative impacts are based on changes in land cover related to forest management and harvesting activities.

From the perspective of the circular economy, the positive effects include slowing down the depletion of natural resources and promoting the circular economy by utilising production side streams in products and in heat production as well as through recycling.

Koskisen's material positive and negative sustainability impacts are directly linked to Koskisen's strategy and business model. The impacts come from Koskisen's own operations and direct business relationships in the value chain of wood procurement and the processing wood products industry.

The current financial effects of Koskisen's material opportunities relate to potential revenues or cost savings — and ultimately to cash flows — associated with increasing self-sufficiency in renewable energy production, improving energy efficiency, enhancing material efficiency and the utilisation rate of recycled materials, as well as the positive employer image contributing to easier recruitment and lower employee turnover. Koskisen is not aware of any material sustainability-related risks or opportunities during the reporting period that would, if realised, affect the company's balance sheet value in the 2024 financial year.

The company applies the transitional provision regarding the anticipated financial effects of material risks and opportunities on its financial position, financial performance, and cash flows in the short, medium, and long term, including the reasonably expected time horizons of such effects, by disclosing only qualitative information.

In the short term (1 year), Koskisen may invest in energy efficiency and renewable energy, improving its ability to adapt quickly to rising energy prices and potential energy supply disruptions. Ongoing efforts to enhance biodiversity also support the management of future risks related to raw material availability. In the short term, the

company is prepared to respond to regulatory changes, such as climate change mitigation targets. Koskisen can also leverage opportunities related to circular economy and material efficiency in the near future. Efficient use of by-products and investments in new wood-based solutions can generate added value and revenue already within the year.

In the medium term (1–5 years), the company will strengthen the flexibility of its supply chain and its ability to react to changes in the market and regulation. Investments in new production capacity and energy self-sufficiency increase the resilience of the business. The company must adapt to the long-term effects of climate change, such as the decline in biodiversity and the availability of raw materials. In the medium term, Koskisen can take advantage of opportunities, such as the anticipated growth in demand for wood construction and products, especially due to changes in legislation and customer behavior. The use of recycled and circular economy materials saves costs and improves profitability, while strengthening the company's market position.

In the long term (more than 5 years), the company's strategy and business model make it even more flexible and less dependent on raw material price fluctuations and environmental risks. Long-term investments in new technologies and expansion into the global market strengthen the company's resilience. Koskisen is preparing sustainable practices in line with its strategy to help adapt to global environmental risks, such as the challenges of climate change and the depletion of natural resources. In the long term, the company can also benefits from global megatrends such as the green transition and the circular bioeconomy. The use of wood raw material and products may increase, especially due to the demand for long-lasting and more sustainable solutions, which will bring significant growth opportunities for the company. New innovations and expansions can also open up new business areas and revenue growth.

Koskisen's strategy and business model support the preparation for short-, medium- and long-term challenges and opportunities, and they support the company's resilience to environmental, market and regulatory changes.

Information will be provided only on the impacts, risks and opportunities covered by the ESRS reporting requirements, and no information will be provided on the impacts, risks and opportunities that would be covered by the use of other entity-specific reporting requirements.

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

IRO-1

The Double Materiality Assessment (DMA) is a formally required method for determining which sustainability matters Koskisen must prioritise in its strategy and operations, and which topics are to be reported in the sustainability statement in accordance with the CSRD.

Koskisen has identified and assessed its resources and operations to determine actual and potential impacts, risks, and opportunities in its own operations as well as in the upstream and downstream parts of its value chain. The identification and assessment process was conducted primarily at a general level, and the company has not separately screened its operations and plans to identify actual or potential future sources of greenhouse gas emissions. Koskisen's impacts on climate change in terms of greenhouse gas emissions are described in the sustainability statement under disclosure requirement E1-6. To support the identification and assessment of climate-related impacts, risks, and opportunities, Koskisen also utilised climate roadmaps developed for the sawmill and forest industry, based on studies and scenarios prepared by organisations such as LUKE, VTT, and ETLA. These roadmaps were particularly used to identify different types of greenhouse gas emissions, physical climate risks affecting the availability of wood raw material, and transition risks and opportunities influencing, for example, the demand for wood construction, also providing direction for evaluating the relative materiality of these factors.

Koskisen carried out its double materiality assessment process for the first time during 2023–2024. The methodology used in the process combined research based on public and selected internal sources, stakeholder interviews, individual technical materiality assessments, and dedicated working group meetings.

The double-materiality assessment process was carried out in three main steps:

1 Understanding the context – reviewing internal materials (operations and business relationships, business model and value chain), other contextual information (sectoral framework, relevant EU sustainability regulation, peer review) and understanding stakeholder views and interests, including stakeholder interviews.
2 Identification of actual and potential impacts, risks and opportunities (IROs) related to sustainability issues – with reference to classification in European sustainability

reporting standards (ESRS 1, paragraph AR16). Koskisen's internal project team was responsible for the phase.

3 Assessment and determination of material impacts, risks and opportunities related to sustainability issues – a consolidated result of both materiality and financial materiality, which is mainly based on Koskisen's internal assessment, observations from stakeholder analysis and workshop work by the Executive Board.

The prioritisation and mutual materiality of the identified impacts, risks and opportunities were assessed with Koskisen's internal project team in a browser-based assessment tool called Inclus in accordance with the principles of ESRS 1 chapter 3 for assessing materiality and economic materiality. The outcome of the assessment is a list of sustainability issues that are material to Koskisen. During the process, the internal control and risk management principles confirmed by Koskisen's Board of Directors were followed.

The starting assumption for the impacts, risks and opportunities to be assessed was the sustainability topics related to the business model and strategy that Koskisen had already identified and reported. The findings were supplemented in the background analysis phase of the process based on the topic recommendations of the most similar established, science-based sector-specific sustainability standards, as well as observations from the review of the reporting practices of peer companies. Based on the background analysis, the most significant sustainability topics in the sector were related to climate change mitigation and adaptation, the preservation of biodiversity, the transition to a circular economy, and issues related to the working conditions of the company's own workforce.

To support the identification and assessment of climate impacts, risks and opportunities, the sawmill and forest industries' Climate roadmaps based on studies and scenarios by Luke, VTT Technical Research Centre of Finland and Etla. The roadmaps were used especially to identify different types of greenhouse gas emissions, physical climate risks affecting the availability of wood raw material and, for example. identifying transition risks and opportunities affecting the demand for wood construction, and also providing guidelines for assessing their mutual materiality. Koskisen's double materiality assessment process was carried out for the first time in 2023. The process was based on a combination of research based on public and certain internal sources, stakeholder interviews, personal technical materiality assessments and working group meetings.

Assessment of materiality of impacts

In the process of identifying and assessing material actual and potential impacts, Koskisen’s own operations and the main features of the value chain were mapped. This was done in order to identify activities, business relationships, geographic locations or other factors that contribute to material sustainability impacts related to the environment or people. At the beginning of Koskisen’s value chain, there are actions that cannot completely exclude the risk of potential human rights violations, such as in the collection and manufacture of raw materials for key production inputs. In the assessment of the identified potential negative social impacts associated with these measures, emphasis was placed on the severity value in relation to the likelihood of their realisation.

Although the identification process was mainly carried out on a general level, the assessment of Koskisen’s own operations focused on sawn timber, plywood and chipboard operations, business relationships with similar customers and, in a geographical sense, on Koskisen’s production plant in the municipality of Kärkölä and its surrounding areas. Many of the identified impacts were found to be linked to financial risks, e.g. as a result of different compensation obligations and reputational damage. The links between different degrees of resource dependencies, such as the availability of wood raw material and skilled labour, were also found to be associated with potential risks.

The impacts of biodiversity-sensitive areas mainly occur on the lands of private landowners, on which Koskisen has felling rights, which can thus be equated with site audits. The assessment and management will focus on the impact of the actions taken in these areas.

The assessment identified a number of negative and positive impacts on people, the climate and the environment in which Koskisen potentially or actually participates through its own operations or business relationships (e.g. suppliers, customers and project contractors). The location of impacts in the value chain is described in Koskisen’s table of material sustainability impacts, risks and opportunities.
In connection with the review, the key stakeholder representatives (e.g. Koskisen’s sawn timber, plywood and chipboard customers, forest owners, personnel representatives and municipal decision-makers) as well as the views of the users of the so-called sustainability reviews (owners and financiers). The views of the impacted stakeholders were used to identify, formulate and assess biodiversity-related impacts, risks and

opportunities. Various circular economy issues, especially related to the utilisation of recycled materials, were emphasised in chipboard customer' views.

The materiality of the identified sustainability impacts was assessed in accordance with the principles of the standards (ESRS 1, chapter 3). The assessment examined potential or actual negative and positive impacts, as well as their scale, scope and, in the case of negative impacts, the irreparable character of the impact. The severity of the negative and positive impacts and the likelihood of their realisation were each assessed on a scale of 1 to 5.

The materiality of the impacts was formed as the product of separate severity and likelihood averages. As a result of the assessments, the mutual order of importance of all identified impacts, risks and opportunities was determined on the basis of materiality values, with the calculated median (11.1) serving as a quantitative threshold for materiality.

Finally, the results were also reviewed qualitatively. Minor adjustments and reweightings were made by consensus, based on stakeholder insights and in cases where certain topics were judged to be unrealistically weighted in relation to Koskisen's overall sustainability profile. The sustainability matters considered material for reporting purposes were determined based on the material impacts, risks, and opportunities grouped under each topic.

The severity of the negative and positive impacts (taking into account the scale, scope and, in the case of negative impacts, pois the irremediable character of the impact), the magnitude of the economic impacts of the risks and opportunities, and the likelihood of their realisation were each assessed on a scale of 1–5.

Materiality of financial impacts

The materiality of the financial impacts related to sustainability risks and opportunities was assessed in the process of determining double materiality by examining their magnitude and likelihood of realisation.

The assessment of sustainability-related risks and opportunities was carried out for the first time as a separate entity from Koskisen's assessment process for other types of risks.

The process took into account the links between material sustainability impacts and financial risks and opportunities. The prioritisation and mutual materiality of the identified impacts, risks and opportunities were assessed with Koskisen's internal project team in a browser-based assessment tool called Inclus in accordance with the principles of ESRS 1 chapter 3 for assessing materiality and financial materiality.

The financial materiality of the risks and opportunities was estimated as the product of the averages of the magnitude and likelihood assessments of the related financial impacts. As a result of the assessments, the mutual order of importance of all identified impacts, risks and opportunities was determined on the basis of materiality values, with the imputed median acting as a quantitative threshold for materiality.

The magnitude and likelihood of financial impacts were estimated from low to high (5–point scale). Actual or very likely financial impacts were given a value of 5 (90–100% likelihood) and any short-, medium- or long-term financial impacts were assessed on a five-point scale between 0% and 100%.

Finally, the results were also reviewed qualitatively. Minor adjustments and reweightings were made by consensus, based on stakeholder insights and in cases where certain topics were judged to be unrealistically weighted in relation to Koskisen's overall sustainability profile. the results were also reviewed qualitatively. Minor adjustments and reweightings were made by consensus, based on stakeholder insights and in cases where certain topics were judged to be unrealistically weighted in relation to Koskisen's overall sustainability profile.

The materiality assessment is carried out as a separate process, after which the risks are treated as part of corporate risk management (ERM) and prioritised by applying their materiality level in the scaling of risks as described above.
Decision-making related to the assessment of sustainability impacts, risks and opportunities is the responsibility of the company's Executive Board under the leadership of the CEO. The process complies with Koskisen's normal management system and the internal control and risk management principles approved by the company's Board of Directors.

The process of identifying and assessing material sustainability impacts, risks and opportunities required by the European Sustainability Reporting Standards (ESRS) was carried out at Koskisen for the first time in June–November 2023.

The need for materiality assessment is reviewed annually. The impacts and risks identified in the materiality process are included in corporate risk management (ERM). When the need for materiality assessment is identified, existing information on the corporate risk process is used as initial data.

The process of identifying, assessing and managing opportunities is carried out as part of the stakeholder and risk management process, the results of which are reported to the Management Team.

The sustainability topics linked to the business model and strategy, previously identified and reported by Koskisen, were used as the starting point for the impacts, risks and opportunities to be assessed.

The findings were supplemented in the background analysis phase of the process based on the topic recommendations of the most similar established, science-based and sector-specific sustainability standards, as well as observations from the review of the reporting practices of peer companies.

To support the identification and assessment of climate impacts, risks and opportunities, the sawmill and forest industries' climate roadmaps based on studies and scenarios by Luke, VTT Technical Research Centre of Finland and Etla.

The roadmaps were used especially to identify different types of greenhouse gas emissions, physical climate risks affecting the availability of wood raw material and, for example, identifying transition risks and opportunities affecting the demand for wood construction, and also providing guidelines for assessing their mutual materiality.

The identified impacts, risks and opportunities were assessed in a browser-based tool called Inclus in accordance with the principles of ESRS 1 chapter 3. In this way, the starting point for the quantitative materiality assessment was achieved, which was supplemented on the basis of stakeholder views.

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

IRO-2

IRO-1 Information related to double materiality assessment on non-material topics

ESRS E2 Pollution

Non-material topic. Due diligence and preventive measures related to pollution are part of the everyday operations of production plants subject to environmental permits, which involve regular cooperation and reporting by the authorities. Koskisen has not carried out a detailed screening of the locations of its sites and its business operations to identify the actual and potential impacts, risks and opportunities of soil, air or other emissions to the environment in its own operations or upstream and downstream value chain. The topic was excluded from a more detailed assessment at an early stage in the double materiality analysis. Therefore, no screening methods, assumptions or tools have been defined. Based on the low materiality of the topic, the company has not organised separate consultations on pollution and has not engaged in stakeholder discussions, especially with the affected communities.

ESRS E3 Water and marine resources

Non-material topic. The double materiality assessment did not include a detailed survey of Koskisen's assets and operations in order to identify impacts, risks and opportunities related to water and marine resources in Koskisen's own operations or upstream and downstream value chain. The topic was excluded from a more detailed assessment at an early stage of the process. Based on the low relevance of the topic, no stakeholder consultations related to water and marine resources were conducted.

ESRS G1 Business Conduct

Non-material topic. The double materiality assessment was based on an examination of unethical activities, such as anti-corruption and anti-bribery practices, as well as the treatment of suppliers and service providers. Ethical business operations and acting in accordance with them are the foundation of Koskisen's business operations and part of its normal operations. The location, activity, sector or structure of a particular transaction were not assessed separately.

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		6
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		5
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				10
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material, information reported p. 12
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	44

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		49
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				50
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I				50
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I				50
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		53

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		54
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	56
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Indicator number 8 Table #1 of Annex I, Indicator number 2 Table #2 of Annex I, Indicator number 1 Table #2 of Annex I, Indicator number 3 Table #2 of Annex I				Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I				Not material
ESRS 2 – IRO-1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I				58
ESRS 2 – IRO-1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I				58
ESRS 2 – IRO-1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I				58
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I				59
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I				59
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I				59
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I				68
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				68
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				70
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				70
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				71
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		71
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				71
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				71

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				73
ESRS S1-14 Number of fatalities and number and rate of work-related paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		82
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				82
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				83
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		83
ESRS 2 – SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Not material

Disclosure Requirement and related datapoint	SFDR reference	Pillar reference	Benchmark Regulation reference	EU Climate Law (11) reference	Page number
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II DelegatedRegulation (EU)2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				Not material
ESRS G1-1 United Nations Convention against corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				Not material
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				Not material
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				Not material

The table below provides a list of sustainability reporting disclosure requirements, including references to the relevant page numbers.

ESRS 2 General disclosures	Page
BP-1 General basis for preparation of sustainability statements	4
BP-2 Disclosures in relation to specific circumstances	4
GOV-1 The role of the administrative, management and supervisory bodies	5
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	9
GOV-3 Integration of sustainability-related performance in incentive schemes	9
GOV-4 Statement on due diligence	10
GOV-5 Risk management and internal controls over sustainability reporting	11
SBM-1 Strategy, business model and value chain	11
SBM-2 Interests and views of stakeholders	14
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	17
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	23
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	26

ESRS E1 Climate change	Page
ESRS 2 / GOV-3 Integration of sustainability-related performance in incentive schemes	9
E1-1 Transition plan for climate change mitigation	44
ESRS 2 / SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model	44
ESRS 2 / IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	45
E1-2 Policies related to climate change mitigation and adaptation	47
E1-3 Actions and resources in relation to climate change policies	48
E1-4 Targets related to climate change mitigation and adaptation	49
E1-5 Energy consumption and mix	50
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	51
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	56
E1-8 Internal carbon pricing	56

ESRS E4 Biodiversity and ecosystems	Page
E4-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	58
ESRS 2 / SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	57
ESRS 2 / IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	57
E4-2 Policies related to biodiversity and ecosystems	59
E4-3 Actions and resources related to biodiversity and ecosystems	60
E4-4 Targets related to biodiversity and ecosystems	62
E4-5 Impact metrics related to biodiversity and ecosystems change	62

ESRS E5 Resource use and circular economy	Page
ESRS 2 / IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	64
E5-1 Policies related to resource use and circular economy	64
E5-2 Actions and resources related to resource use and circular economy	65
E5-3 Targets related to resource use and circular economy	66
E5-4 Resource inflows	67
E5-5 Resource outflows	68

Definition of material information

The material information to be disclosed in the sustainability statement regarding impacts, risks, and opportunities has been defined through the double materiality assessment process, applying a defined materiality threshold.

The materiality of the identified impacts, risks, and opportunities was assessed in line with the principles set out in the standards (ESRS 1, Chapter 3). The severity of negative and positive impacts was evaluated based on scale, scope, and, in the case of negative impacts, also the irremediable character. The financial magnitude of risks and opportunities, as well as the likelihood of their realisation, were assessed on a scale from 1 to 5.

Impact materiality was calculated as the product of the average scores for severity and likelihood. Similarly, the financial materiality of risks and opportunities was determined based on the magnitude and probability of their financial effects.

The results of these evaluations provided a ranking of all identified impacts, risks, and opportunities based on their materiality scores, with a quantitative materiality threshold defined by the calculated median value (11.1). The results were also reviewed qualitatively. Minor adjustments and reweightings were made by consensus, based on stakeholder insights and in cases where certain topics were judged to be unrealistically weighted in relation to Koskisen's overall sustainability profile.

The sustainability matters considered material for reporting purposes were determined based on the material impacts, risks, and opportunities grouped under each topic and are presented in the table below.

Impacts, risks, and opportunities categorized by sustainability topic

Climate change	Biodiversity and ecosystems	Resource use and circular economy	Own workforce
Impacts	**Impacts**	**Impacts**	**Impacts**
The carbon sequestered by forests is stored long-term in Koskisen's wood products	Negative impacts on biodiversity caused by land cover changes related to forest management and harvesting operations	Reducing natural resource depletion and advancing circular economy principles through the use of production side streams in product development	Positive impacts related to Koskisen's position as a significant industrial employer in the surrounding area
Emissions from vehicles involved throughout the value chain (including transport of finished products)		Reducing natural resource depletion through the use of production side streams in energy and heat production	Positive impacts on employee health and well-being
Lifecycle emissions from panel products, adhesives and coatings, plastics and metal raw materials		Reducing natural resource depletion and advancing circular economy through recycling	Negative effects on employee health
Emission reductions achieved through renewable energy production			
Indirect greenhouse gas emissions from purchased electricity (Scope 2)			
Direct greenhouse gas emissions from production facilities			
Positive impacts of forest management practices on natural carbon sinks			
Emission reductions through energy savings – improving energy efficiency in own operations			
Development of low-emission products that enable emission reductions for the customer			
Reduction of forest carbon stocks and soil carbon sinks due to harvesting and forest management activities.			
Risks and opportunities	**Risks and opportunities**	**Risks and opportunities**	**Risks and opportunities**
Risks related to the physical impacts of climate change may disrupt the availability of raw materials	Physical risks to raw material availability caused by negative biodiversity impacts	Improved profitability through increased utilization of side streams and recycled materials, as well as enhanced material efficiency	Risks posed by industrial action, such as strikes
Regulatory risks related to the preservation of carbon sinks (transition risks) – harvesting restrictions	Regulatory risks related to biodiversity preservation (transition risks) – restrictions on the use of natural resources	Transition risks associated with the circular economy – uncertainty around the legal classification of industrial side streams	Opportunities for a positive employer image
Opportunities related to the transition to a low-carbon society – growth in demand for wood construction and wood-based products	Voluntary biodiversity conservation measures that may reduce the availability of wood raw material (transition risks)	Resource depletion risks concerning critical inputs such as wood, water, adhesives, coatings, metals, and plastics	
Opportunities for energy self-sufficiency achieved through own energy production		Circular economy transition opportunities – increased demand for renewable, wood-based products	
Energy efficiency opportunities			

Environmental information

Koskisen creates value for its customers by helping them mitigate climate change and adapt to the future with products and services. Koskisen has committed to continuously minimize the impact of its operations, value chain and the full lifecycle of its products on soil, water, climate and the ecosystems.

EU Taxonomy Report

Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy is a classification system for sustainable economic activities as defined in Regulation (EU) 2020/852 of the European Parliament and of the Council (Taxonomy Regulation) that entered into force in 2020, aiming to enhance the transparency of sustainable investment and reorient capital flows towards technologies and business considered sustainable. The Taxonomy Regulation has been gradually supplemented by delegated acts over the years.

In practice, the EU Taxonomy is a list of economic activities identified by the taxonomy with technical sustainability criteria that are considered to play a key role in achieving the EU's six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention
6. Protection and restoration of biodiversity and ecosystems

In addition to taxonomy eligibility (the proportion of own activities that correspond to the activities listed in the taxonomy), companies with disclosure obligations must also report on taxonomy alignment, i.e. the extent to which taxonomy-eligible activities meet the technical criteria for a) substantially contributing to at least one environmental objective, b) avoiding significant harm to the achievement of other environmental objectives (Do No Significant Harm, DNSH), and c) the sufficiency of the Minimum Safeguards aimed at preventing social violations in own operations and supply chain.

For the time being, the majority of Koskisen's product portfolio (timber, plywood and panel products) results from activities that are not identified in the taxonomy and are therefore not taxonomy-eligible. However, this does not mean that Koskisen's product portfolio is unsustainable from the point of view of the EU taxonomy, but that the operations concerned are not currently considered to be among the activities with which the EU considers that it will achieve the most immediate and significant environmental benefits in its economic area. Koskisen's activities related to forest management services, energy efficiency and production investments in production plants and properties, forest biomass-based energy production, various restoration measures and certain low-emission products can be considered to be taxonomy-eligible, i.e. activities identified in the taxonomy. For many taxonomy-eligible activities, meeting the criteria for taxonomy alignment would require detailed investigations and often also their independent verification.

Accounting principle

Koskisen's consolidated financial statements have been prepared in accordance with the accounting standards (IFRS) approved for use in the EU (for more information, see the "Basis of preparation" note to the financial statements). The taxonomy percentages have been calculated by allocating the financial figures presented in the consolidated financial statements (net revenue, CapEx and certain operating expenses (OpEx)) to businesses that have been interpreted as taxonomy-eligible in accordance with the Delegated Act on the disclosure format of the Taxonomy Regulation. CapEx and OpEx were defined as taxonomy-eligible if they relate to Koskisen's own taxonomy-eligible activities or are related to a taxonomy-eligible service or product procured from a third party. The minimum safeguards aimed at preventing social violations were assessed by comparing the activities with the interpretation guidelines of the Commission Notice (2024/C 211/01). There were no significant changes in the definition of financial ratios during the financial year with regard to the interpretation of the taxonomy eligibility of operations or the criteria for determining numerator items.

Taxonomy assessment

Taxonomy eligibility and taxonomy alignment were determined by comparing the activities that generated revenue and were the subject of investments during Koskisen's financial year 2024 with the descriptions of economic activities listed in the taxonomy and their technical criteria. As a large part of Koskisen's product portfolio is currently outside the scope of the taxonomy, the taxonomy assessment is limited to the following taxonomy-eligible economic activities:

CCM 1.3. Forest management

Forest management services provided to forest owners include activities such as soil preparation, planting of seedlings and seeds, early weeding, tending of seedling stands and preclearing. Koskisen's timber harvesting operations also generate revenue, the share of which can be broken down from invoicing in connection with the sale of timber on behalf of forest owners. The activities cannot yet be considered to be in line with the taxonomy, as formal climate benefit estimates in accordance with the requirements are not yet available in the forest management plans of the forest parcels concerned by the activities.

PPC 2.4. Remediation of contaminated sites and areas

Operating expenditure (OpEx) used for groundwater treatment operations in Järvelä is considered taxonomy-eligible. The contamination of groundwater was caused in 1976 by the fire extinguishing water of Koskisen's sawmill with a chlorophenol-containing wood preservative for sawn timber (KY-5). Groundwater treatment operations were started independently in 2012 using a method developed in cooperation with Afry Finland Oy.

CE 3.2. Renovation of existing buildings

In 2024, Koskisen implemented maintenance measures for factory and office buildings that are taxonomy-eligible. The largest investments were the repair of the plywood and chipboard roof and the reinforcement of the steel structures of warehouse halls 1 and 2. Maintenance activities do not yet meet all of the criteria for substantially contributing to the transition to a circular economy, as the Global Warming Potential (GWP) is not yet calculated for all building renovations.

CCM 3.5. Manufacture of energy efficiency equipment for buildings

The exterior cladding panels, logs, external wall frame parts and battens and panel products used for doors manufactured by Koskisen from wood were considered to be a key part of the insulation of the building concerned and thus of its energy efficiency. For the time being, these are not taxonomy aligned, as the thermal conductivity (W/mK) of the material exceeds the limit value of the technical criterion for substantially contributing to climate change mitigation.

CCM 3.6. Manufacture of other low carbon technologies

During the financial year 2024, Koskisen prepared the start of commercial production of Zero furniture panel. In the Zero furniture panel, wood-based lignin replaces the fossil-based binder conventionally used in similar products, being a lower-emission alternative to ordinary furniture panels, and therefore it has been interpreted to correspond to the manufacture of other low-carbon technologies referred to in the taxonomy. In addition, Koskisen has invested in a lignin adhesive tank at the chipboard factory. Not all verification data required by taxonomy are available yet.

CCM 4.1. Electricity generation using solar photovoltaic technology

There is a solar power field at Koskisen's Tehdastie factory area. The maintenance of the solar power field has resulted in taxonomy-eligible expenditure. Not all verification data required by taxonomy are available yet.

CCM 4.24. Production of heat/cool from bioenergy

The Sermet and BIO8 boiler plants at Koskisen's Mäntsäläntie plant area produce district heat for the plant's own needs from 100% wood biomass, utilising the by-products of its own process. Not all the required data concerning the source of the wood biomass are currently available, so it is not yet possible to verify that the activities are taxonomy-aligned.

CCM 4.20. Cogeneration of heat/cool and power from bioenergy

The Koskipower boiler plant at Koskisen's Tehdastie plant area produces heat and electricity from 97.3% wood biomass. In special cases (e.g. during maintenance work), the boiler plant may also fire fossil fuels, but this proportion has not been calculated in the taxonomy eligibility ratio. Not all the required data concerning the source of the wood biomass are currently available, so it is not yet possible to verify that the activities are taxonomy-aligned.

CCM 5.1. Construction, expansion and operation of water collection, treatment and supply systems

During the financial year 2024, a significant investment was made in the stormwater system of the new log yard. In addition, investments have been made in emergency showers at the plywood and chipboard factories. The technical energy consumption data required to prove taxonomy alignment were not yet available.

CCM 7.3. Installation, maintenance and repair of energy efficiency equipment

Koskisen's properties and outdoor areas have seen Investments in the installation of more energy-efficient LED lights, among other things. In addition, the electricity metering and analysis system has been updated. For the time being, in the absence of the required data, it has not been possible to demonstrate all of the technical screening criteria for avoiding sustainability harm.

CE 4.1. Provision of IT/OT data-driven solutions

During the year under review, Koskisen invested in a thickness gauge for plywood sanding and quality control camera for coated panels, renewed the logic of the drying chambers and updated the bevel camera, making it possible to improve resource efficiency and thus contribute to the goals of the transition to a circular economy. Incomplete investments in the AI modernisation of the strip sealing camera at the Panel Industry Järvelä plants have also been considered to be compatible with this taxonomy-eligible activity category. Not all of the validation data required for the taxonomy-alignment of data-driven IT/OT solutions promoting the transition to a circular economy are yet available.

CCM 7.7. Acquisition and ownership of buildings

During the year under review, Koskisen purchased a residential property in the noise area affected by the Järvelä production plant. The building lacks the energy efficiency data required for taxonomy alignment.

The EU taxonomy requires companies to disclose how they have avoided duplicate accounting when allocating the shares of turnover, capital expenditure (CapEx) and certain operating expenses (OpEx) to economic activities (numerator items) that are taxonomically eligible (and aligned). The activities listed above correspond to the cost and income items of the business areas that are separately monitored in Koskisen's accounting, which makes it possible to allocate financial figures to parts of operations that are considered taxonomy eligible. If an activity can be considered to be taxonomy-eligible from the perspective of promoting more than one environmental objective, the environmental objective perspective that best corresponds to the nature of the activity has been selected from the criteria and the numerator item of the applicable financial ratio has been allocated to the activity in question as a whole.

Minimum safeguards

By minimum safeguards, the Taxonomy Regulation refers to a company's procedures to ensure that its operations and supply chain comply with a) OECD Guidelines for Multinational Enterprises, b) UN Guiding Principles on Business and Human Rights (UNGP), c) the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and d) the United Nations Universal Declaration on Human Rights.

In practice, adherence to the above principles requires the company to have in place administrative processes for a) the realisation of human rights and good working conditions, combatting corruption and bribery, safeguarding fair competition and the payment of taxes to avoid violations, and that the company or its management has not been convicted of illegal activity in relation to the topics.

Koskisen has no illegal violations against the aforementioned matters and the Group's current governance structures, practices and controls are designed to avoid negative impacts and, if necessary, remedy them. Koskisen invests in many ways in its social responsibility priorities: occupational safety, employee well-being and maintaining good and fair partnerships with customers and forest owners. The aim is to prevent negative impacts through various policies, guidelines and risk assessments. Various indicators of occupational safety and customer satisfaction are monitored and the results are reported on an annual basis. Koskisen also has a Whistleblowing channel on its website, which can be used to anonymously report any violations. For more information, see section GOV-4 Statement on due diligence of the Sustainability Statement.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code(s)**	**Absolute turnover**	**Proportion of turnover, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Proportion of turnover, 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		MEUR	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
TAXONOMY-ELIGIBLE ACTIVITIES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned)		**-**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**-%**	**-%**	**-%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Forest management	**CCM 1.3.**	**19.6**	**7.0%**														6.6%		
Manufacture of energy efficiency equipment for buildings	**CCM 3.5.**	**7.5**	**2.6%**														3.3%		
Manufacture of other low-carbon technologies	**CCM 3.6.**	**0.1**	**-%**														-%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**27.1**	**9.6%**														9.9%		
Turnover of taxonomy eligible activities		**27.1**	**9.6%**														9.9%		

TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Turnover of Taxonomy-non-eligible activities	**255.2**	**90.4%**
TOTAL	**282.3**	**100%**

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code(s)**	**Capital expenditure**	**Share of capital expenditure, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Share of capital expenditure, 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		MEUR	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
TAXONOMY-ELIGIBLE ACTIVITIES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	**-**	**-%**	**100%**	**-%**	**-%**	**-%**	**-%**	**-%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**4.0%**		
CapEx of environmentally sustainable activities (Taxonomy-aligned)		**-**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**4.0%**	**-%**	**-%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Renovation of existing buildings	**CE 3.2.**	**1.0**	**2.9%**														**4.0%**		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 7.3.**	**0.5**	**1.5%**														**0.1%**		
Acquisition and ownership of buildings	**CCM 1.3.**	**0.4**	**1.1%**														**-%**		
Installation, maintenance and repair of energy efficiency equipment		**0.1**	**0.4%**														**1.1%**		
Manufacture of other low-carbon technologies	**CE 4.1.**	**0.1**	**0.3%**														**-%**		
Provision of IT/OT data-driven solutions	**CCM 5.1.**	**0.1**	**0.3%**														**0.5%**		
Forest management	**CCM 4.24.**	**-**	**-%**														**0.8%**		
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**2.2**	**6.6%**														**6.5%**		
CapEx of Taxonomy eligible activities		**2.2**	**6.6%**														**10.5%**		

TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy eligible activities	**30.7**	**93.4%**
TOTAL	**32.9**	**100%**

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	**Code(s)**	**Operating expenditure**	**Share of operating expenditure, 2024**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Share of operating expenditure, 2023**	**Category (enabling activity)**	**Category (transitional activity)**
		MEUR	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
TAXONOMY-ELIGIBLE ACTIVITIES																			
Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned)		**-**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**-%**	**-%**	**-%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20.**	**1.4**	**10.5%**														**8.1%**		
Production of heat/cool from bioenergy	**CCM 4.24.**	**1.4**	**10.3%**														**10.1%**		
Renovation of existing buildings	**CE 3.2.**	**0.2**	**1.3%**														**1.1%**		
Forest management	**CCM 1.3.**	**0.1**	**0.5%**														**0.5%**		
Remediation of contaminated sites and areas	**PPC 2.4.**	**0.1**	**0.5%**														**0.3%**		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1.**	**-**	**0.3%**														**-%**		
Manufacture of other low-carbon technologies	**CCM 3.6.**	**-**	**0.1%**														**0.1%**		
Electricity generation using solar photovoltaic technology	**CCM 4.1.**	**-**	**-%**														**-%**		
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**3.2**	**23.5%**														**20.2%**		
OpEx of Taxonomy eligible activities		**3.2**	**23.5%**														**20.2%**		
TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non eligible activities		**10.4**	**76.5%**																
TOTAL		**13.6**	**100%**																

Additional information about taxonomy ratios

Absolute turnover

The taxonomy-eligible turnover for the 2024 financial period consisted of invoicing in accordance with customer agreements for products and services deemed taxonomy-eligible described above, making up the numerator item of the financial ratio. The denominator of the ratio is the Group's total revenue for 2024. For more information, see the financial statements Note 2. Segment information and revenue.

Capital expenditure

The taxonomy-eligible CapEx capital expenditure (CapEx ratio numerator) consists of capitalised increases in tangible and intangible capital related to activities assessed as taxonomy eligible during the financial period before depreciation, impairment and remeasurement. The denominator part of the ratio includes the corresponding capital expenditure for the financial year in its entirety. During the financial year, Koskisen did not have a formal CapEx plan aimed at aligning its operations with the taxonomy in the future. For more information, see financial statements Notes 12. Property, plant and equipment, 14. Lease agreements and 15. Intangible assets.

Operating expenditure

The taxonomy eligible proportion of the OpEx operating expenses referred to in the Delegated Act on the reporting format supplementing the EU Taxonomy Regulation has been calculated in terms of the uncapitalised costs essential for the continuity of operations assessed as taxonomy-eligible connected to maintenance and repairs of buildings, machinery and equipment, short-term leasing contracts and research and development expenses. The denominator part of the ratio includes the corresponding capital expenditure referred to in the Taxonomy Regulation for the financial year in its entirety.

Koskisen had no direct links to nuclear or fossil gas-based energy production within the meaning of Delegated Regulation (EU) 2022/1214.

ACTIVITIES IN THE FOSSIL GAS AND NUCLEAR ENERGY SECTORS

Line	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Line	Fossil gas-related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cooling using fossil gaseous fuels.	NO

ESRS E1 Climate change

Transition plan for climate change mitigation

E1-1

Koskisen has started to prepare a transition plan for climate change mitigation and plans to deploy it by the end of 2025.

During the preparation process, Koskisen has discussed the areas required by the transition plan and the related disclosure requirements in detail.

The strategy and sustainability programme approved by the company's Board of Directors in 2024 includes measurable targets for mitigating climate change, but does not yet include target values for reducing greenhouse gas emissions in accordance with the Paris Agreement for 2030 and 2050.

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

ESRS 2 / SBM-3

Koskisen has carried out a climate change resilience analysis to assess the exposure of business operations and assets to the impacts of climate change. The climate change resilience analysis carried out aims to take into account all relevant functions throughout the value chain and no material physical or transition risks have been excluded.

The identification of risks related to climate change began in autumn 2023, and the work on the scenario and resilience analysis continued in autumn 2024. The resilience analysis has been carried out by the Group sustainability team. With regard to the identified physical risks and transition opportunities and risks, activities and assets affected by them have been specified and risk mitigation measures have been described.

The transition to a lower-carbon economic system is a macroeconomic megatrend that strongly supports Koskisen's strategy, as it increases the demand for renewable low-carbon materials in Koskisen's customer segments. The increase in the production volumes of low-carbon products increases absolute energy consumption, but correspondingly, relative energy efficiency improves, enabled by existing and future technology investments. Most of the energy used by Koskisen is based on the use of renewable wood-based fuel generated as a side stream of its own production.

The time horizons used in the resilience and scenario analysis are short term (< 1 year), medium term (1–5 years) and long term (> 5 years). The time horizons are similar to those for the assessment of climate-related physical and transition-related risks, but differ from the target year 2027 of the emission reduction targets set in Koskisen's sustainability programme.

The mitigation measures have been reviewed in relation to the results of the double materiality analysis, but no review of resources has been carried out for individual measures.

The resilience analysis does not include any significant uncertainties, and the activities do not include any assets or business activities at risk that would have been specifically taken into account in defining the company's strategy, investment decisions and current and planned mitigation measures.

Koskisen's business model and strategy are structurally well positioned to adapt to climate change in the short, medium and long term. High adaptability is based on three key factors: an integrated operating model and its continuous development through investments, a renewable main raw material and its sustainable sourcing, and low-carbon end products. Koskisen also has long-term expertise and know-how in its own operations and value chain, which is actively utilised as the operating environment changes.

The integrated operating model covers the value chain from forest management to final products. This enables flexible adaptation to changing conditions and efficient use of resources. The renewable main raw material, wood, provides a sustainable basis for business. Koskisen invests in product development and new innovation in the field of low-carbon solutions, actively develops forest management methods and strengthens cooperation with forest owners.

From the point of view of the continuity of operations, it is essential to ensure sustainable wood procurement to secure the supply of raw materials in the future. The most significant uncertainties related to strategy and business adaptation are related to significant changes in the political operating environment and regulation.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

ESRS 2 / IRO-1

Climate-related scenario analysis

Koskisen carried out an assessment of climate-related threats, risks and opportunities as a scenario analysis in accordance with the TCFD framework in 2023. Key people from the sustainability and communications team and finance, as well as people who have expertise in carbon footprint calculation and resource circulation participated in the implementation of the analysis. The inputs used in the process included the assessment pursuant to the TCFD framework and the company's assessment of environmental impacts and international definitions of climate work. The scenario analysis covered all of the Group's operations, short-term, medium-term and long-term reviews, Koskisen's business and assets, as well as activities throughout the value chain. The time horizon of the scenario analysis extends to 2050.

Scenarios used

SSP1-2.6: Highly effective measures to limit emissions. Global CO_2 emissions should turn to a clear decline already in the 2020s and be even slightly negative by the end of the century. After the middle of the century, the CO_2 concentration will peak at around 470 ppm, but then slowly begin to decrease. The IPCC report estimates that by the end of this century, the global average temperature would have increased by 1.8°C (uncertainty range 1.3–2.4°C) compared to the pre-industrial period.

SSP2-4.5: Semi-successful climate policy. CO_2 emissions will initially increase slightly, but will decline from 2040. By the end of the century, the increase in concentration in the atmosphere will reverse and the concentration will be approximately twice as high as the pre-industrial level. The estimated average global temperature rise at the end of this century will be 2.7°C (2.1–3.5°C).

SSP5-8.5: Efforts to limit emissions fail completely. CO_2 emissions grow rapidly, more than tripling before the end of the century. The CO_2 concentration would then increase and even quadruple compared to the pre-industrial period, and the strong growth would continue from 2100 onwards. The average global temperature rise at the end of this century is 4.4°C (3.3–5.7°C).

Physical risks

The physical climate-related risks faced by Koskisen are mainly related to the procurement of wood and the availability of wood raw material. These represent a risk to business in the upstream value chain.

The impacts of the IPCC's climate scenario SSP5-8.5 have been taken into account in the assessment process of physical risks related to climate change so that the global temperature rise would be 4.4°C. This high-risk climate scenario is a science-based scenario that is commonly used to assess the physical risks of climate change. All physical risks have been assessed in relation to different scenarios.

Climate-related hazards that affect the company's operations have been identified in accordance with the classification of climate-related hazards in Commission Delegated Regulation (EU) 2021/2139 and the exposure of various assets and business operations to these hazards has been assessed in the short (< 1 year), medium (1–5 years) or long term (>5 years). Physical risks mainly concern raw material procurement, which affects the entire business.

Koskisen's most significant short-term physical risks are related to sudden weather-related events and their effects on the availability of wood raw material. Acute climate change-related events can reduce the duration of the soil frost period and make harvesting more difficult. This has a direct impact on the availability of wood and increases costs. In addition, extreme weather events such as storms and floods can cause significant disruptions to production volumes. Risks related to power outages are also acute and can lead to production stops and reduced production volumes, which has a direct impact on the business.

In the medium term, the chronic physical changes caused by climate change are emphasised. High temperatures and drought cause slow growth and forest damage, which affects the availability and quality of wood. These factors increase the price of wood raw material and reduce profitability. In addition, the loss of biodiversity

accelerated by climate change affects the natural ability of forests to fight diseases and pests, which can lead to a reduction in the amount of wood.

In the long term, extreme weather events such as storms, cyclones and floods, which affect the availability and price of wood raw material, emerge as the most significant risk. These events can have a significant impact on costs and profitability over the longer term.

Transition risks and opportunities

Koskisen has not identified any assets or businesses that would not be aligned with the carbon neutrality target in the light of the transition events.

The process of assessing transition risks and opportunities related to climate change takes into account the impacts of the IPCC climate scenario SSP1-2.6 so that the global temperature rise would be 1.8°C. This scenario is based on the assumption of successful climate action and constitutes the lowest temperature rise scenario of the IPCC climate scenarios. Transition risks have been identified in the short (<1 year), medium (1–5 years) or long term (>5 years) and their effects on Koskisen's business and assets have been assessed.

Risks related to transition events

In the short term, immediate cost effects are particularly emphasised. Rising prices of fossil fuels and energy, as well as taxes and fees related to these, directly increase operational costs. The high price of biofuels also affects operational costs. At the same time, the company faces challenges related to financing, as the availability of financing can decline and its price increase.

In the medium term, the changes required for adaptation are emphasised. The transition to renewable energy requires significant investments, especially in transport and harvesting equipment. Regulatory changes at EU and national level in the transition to a fossil-free society affect the requirements for the use of chemicals in production and increase costs. At the same time, climate change mitigation and the protection of biodiversity are becoming increasingly important themes in forest management, which can affect the willingness of forest owners to sell timber and thus weaken the availability of raw materials.

Long-term risks are related to fundamental changes in the operating environment. EU and national policy changes can significantly limit the supply of wood and lead to a decrease in production volumes. Tighter regulation of carbon dioxide emissions will increase costs throughout the value chain. The rapid development of technology creates uncertainty in investment decisions, as there is a risk of committing to technology that does not prove optimum in the long term.

Transition risks and opportunities

Koskisen has not identified any assets or businesses that would not be aligned with the carbon neutrality target in the light of the transition events.

The process of assessing transition risks and opportunities related to climate change takes into account the impacts of the IPCC climate scenario SSP1-2.6 so that the global temperature rise would be 1.8°C. This scenario is based on the assumption of successful climate action and constitutes the lowest temperature rise scenario of the IPCC climate scenarios. Transition risks have been identified in the short (<1 year), medium (1–5 years) or long term (>5 years) and their effects on Koskisen's business and assets have been assessed.

Risks related to transition events

In the short term, immediate cost effects are particularly emphasised. Rising prices of fossil fuels and energy, as well as taxes and fees related to these, directly increase operational costs. The high price of biofuels also affects operational costs. At the same time, the company faces challenges related to financing, as the availability of financing can decline and its price increase.

In the medium term, the changes required for adaptation are emphasised. The transition to renewable energy requires significant investments, especially in transport and harvesting equipment. Regulatory changes at EU and national level in the transition to a fossil-free society affect the requirements for the use of chemicals in production and increase costs. At the same time, climate change mitigation and the protection of biodiversity are becoming increasingly important themes in forest management, which can affect the willingness of forest owners to sell timber and thus weaken the availability of raw materials.

Long-term risks are related to fundamental changes in the operating environment. EU and national policy changes can significantly limit the supply of wood and lead to a decrease in production volumes. Tighter regulation of carbon dioxide emissions will increase costs throughout the value chain. The rapid development of technology creates uncertainty in investment decisions, as there is a risk of committing to technology that does not prove optimum in the long term.

Opportunities related to transition events

In our own operations, improving resource efficiency offers significant opportunities in the short and medium term. The growing demand for industrial by-products and energy wood enables new business models. Utilising the sawmill's own drying capacities provides cost and material efficiency benefits. Opportunities related to improving energy efficiency and in-house energy production, albeit with a more moderate financial impact, support the development of operations.

In the medium and long term, climate change mitigation can increase harvest volumes and facilitate production and revenue growth. The change in the growing season caused by global warming increases the growth rate of trees and opens up new opportunities for cultivating various tree species.

The most significant opportunities in the downstream value chain are the increased use of wood products in construction and as a carbon sink in the medium and long term. Wood products significantly store carbon and their carbon emissions in relation to the volume of the material are low compared to mineral and steel-based building materials. The development of new innovative products helps reduce the carbon footprint and offers significant growth opportunities.

As a whole, Koskisen's opportunities related to transition events particularly focus on the development of products and services as well as improving resource efficiency. Changes brought about by climate change can also open up new opportunities, even if they involve uncertainties. The strengthening of the role of wood products in low-carbon construction is particularly promising.

The climate scenarios used are consistent with the critical climate-related assumptions presented in the financial statements.

Policies related to climate change mitigation and adaptation

E1-2

Koskisen's policies and environmental principles, which apply to Koskisen's operations and geographical locations as a whole, define the company's commitment to the goals and actions that are used in its operations and value chain to mitigate climate change, promote adaptation to climate change and increase the use of renewable energy in relation to the material impacts, risks and opportunities identified in the double materiality process.

In accordance with its operating policy, Koskisen is committed to continuously reducing the impact of its operations, value chain and products on climate, soil, water and ecosystems throughout their life cycle from the point of view of climate change mitigation. Koskisen develops products and production processes that take these principles into account throughout the value chain and product life cycle. The climate and environmental impacts of wood products and our own operations as well as carbon sequestration capacity are well known.

From the perspective of climate change adaptation, the environmental principles emphasise goals and measures that focus on reducing physical acute and chronic risks in the upstream value chain. Commitment to the procurement of certified wood raw material, ensuring biodiversity in forest management and providing advice and training to forest owners and logging companies promote the resilience of forest nature to extreme weather events and, as climate change progresses, increasing drought, heat and the resulting loss of biodiversity. Koskisen does not tolerate deforestation in its supply chain.

From the perspective of renewable energy and energy efficiency, Koskisen is committed to promoting the abandonment of fossil energy sources and raw materials and implementing energy efficiency and energy saving measures in its own production plants. Biofuels are produced from felling waste and by-products of wood processing and used as fuel for Koskisen's plants and nearby district heating plants. Koskisen promotes a material-efficient circular economy in which wood raw material is used down to the last particle of sawdust.

Both the operating policy and environmental principles have been approved by the company's Board of Directors. The executives of the Group and the business units

belonging to the company's Executive Board are responsible for their implementation and reporting to the Board of Directors. Stakeholder perspectives have been taken into account in the preparation of the principles as part of the double materiality analysis, on the basis of which the update work has been carried out. The environmental principles are available to stakeholders on the company's website at Policies and principles – Koskisen.

Actions and resources in relation to climate change policies

E1-3

Koskisen's key actions to mitigate climate change in the reporting year 2024 focused on energy efficiency and the modernisation of production in Koskisen's own operations at the Järvelä locations.

An electricity contract based on nuclear electricity is a significant step towards emission-free energy production, as nuclear electricity does not generate direct greenhouse gas emissions.

The partial renewal of electricity metering and the analysis system enables more accurate monitoring and optimisation of energy consumption, which helps identify savings targets and reduce unnecessary energy use.

The deployment of a spindleless peeling line and the modernisation of the veneer dryer at the plywood plant improves the energy efficiency of production processes.

The measures have not required significant operating expenses (OpEx) and/or capital expenditures (CapEx). The company has not had an estimate of the expected emission reductions. The ability to implement measures does not depend on the availability of resources. The achieved emission reductions are described in the table in section E1-4 Targets related to climate change mitigation and adaptation.

Key actions	Implementation schedule	Decarbonisation lever
Nuclear energy-based electricity contract	Implemented in the reporting year 2024	Other
Renewal of electricity measurement and analysis system	Implemented in the reporting year 2024	Energy efficiency
Spindleless peeling line	Implemented in the reporting year 2024	Material efficiency
Veneer dryer modernisation	Implemented in the reporting year 2024	Energy and material efficiency

At the end of the reporting period, Koskisen was planning future actions related to climate change mitigation and adaptation. The action plan will be completed during 2025, in connection with which the dependency of the measures on the availability and allocation of financial resources will also be assessed and the availability of sufficient resources for implementation will be ensured.

Capital and operating expenditure allocated to the actions are presented in the notes to the financial statements, key performance indicators, the Capex plan and taxonomy reporting.

Targets related to climate change mitigation and adaptation

E1-4

Koskisen set targets related to climate change mitigation, energy efficiency and renewable energy in its sustainability programme published in 2024.

The targets of Koskisen's sustainability programme are described in the table below. The targets of the sustainability programme correspond to the objectives of the Code of Conduct. The emission reduction targets have been set to follow and aim towards the goal of limiting global warming to 1.5 degrees Celsius, in alignment with the Paris Agreement and reflecting the scientific recommendations of the Intergovernmental Panel on Climate Change (IPCC).

The goals and objectives of Koskisen's sustainability programme are based on the double materiality analysis carried out by the company, in which its stakeholders were involved. No stakeholders were involved in setting separate climate-related targets.

The targets were set only during the reporting year, and the values of the performance indicators reflecting their achievement will be reported from the reporting year 2024 onwards.

Targets	Target for 2027	Base year 2022	Actual 2024	Location and geographical boundary
Reduction of energy consumption, and energy efficiency	-5% MWh/m^3 compared to base year 2022	0.6 MWh/m^3	0.54 MWh/m^3	Own operations in all geographical locations
Reduction of energy consumption, and energy efficiency	-5% MWh/EUR million compared to base year 2022	1,143 MWh/EUR million	1,093 MWh/EUR million	Own operations in all geographical locations
Increased use of renewable energy	99%	96%	97%	Own operations in all geographical locations
Reducing emissions from own operations	-50% t$C0_2$eq compared to base year 2022	Location- and market-based 2022: 180,810 tCO_2eq 190,813 tCO_2eq	Location- and market-based 2024: 171,838 tCO_2eq 167,185 tCO_2eq	Own operations in all geographical locations
Reduction of value chain emissions	-20 t$C0_2$eq compared to base year 2022	168,560 tCO_2eq	160,990 tCO_2eq	Upstream and downstream value chain
Increasing the carbon handprint	+30% compared to base year 2022	310,754	272,376	Own operations and downstream value chain

The emission targets set are consistent with the Scope 1, 2, and 3 emissions categories of the GHG Protocol used in Koskisen's greenhouse gas emissions reporting. Scope 1 and 2 are included in the common target and have not been separated in the target setting. All emission categories are included in the targets and the categories are presented in section E1-6. The base year is 2022. The figures for 2022 have not been validated in accordance with the sustainability statement.

The base year for all targets is 2022. When setting the basic values, it has been ensured that they do not include deviations due to exceptional weather conditions, production volumes or energy procurement, for example.

Koskisen's greenhouse gas emission reduction targets do not yet include an approved roadmap for the long-term targets for 2030 and 2050, which is why they cannot yet be considered compatible with the 1.5 degrees Celsius target or based on climate science. The objectives take into account the assumptions presented in Koskisen's strategy regarding the development of the operating environment and Koskisen's business. Koskisen expects sustainability, urbanisation and the development of trade and transport to support the growth of demand for sustainable wood-based materials and products. Koskisen also assumes that it will be able to further improve the energy and material efficiency of its operations by developing synergistic business operations, the circular economy and the integrated operating model. Koskisen's goal of creating new innovative lower-carbon, energy- and material-efficient wood-based products has also been taken into account. These factors are assessed to separately and together support the achievement of the emission reduction targets. The actual roadmap and calculations for the emissions development pathway have not yet been prepared, even though the work has started.

The decarbonisation levers and their quantification are a key part of Koskisen's future transition plan for climate change mitigation. Its preparation has begun and the company plans to implement it by the end of 2025. Koskisen's goal is to present the specified decarbonisation levers and the estimated impacts in the 2025 sustainability report.

Koskisen will describe the climate scenarios used and the conclusions made about the operating environment in the same context.

Energy consumption and mix

E1-5

Energy consumption includes direct and indirect energy consumption at Koskisen's locations. The reported data is derived from measurements based on data and invoices provided by external suppliers. The quantity of oil used is measured in litres or weight and converted into energy quantities by means of factors. For other fuels, average values are used, converted using specified factors into amounts of energy, which expresses the amount of energy as energy content. The amount of energy produced after the efficiency of the power plants is based on invoices in euros. For power plants operating in connection with Koskisen's Järvelä operations, measurements are carried out on site, and their conversion factors have been determined by external research institutes based on fuel samples. For wood-based fuels in power plants, dry heat powers have also been specified, used to obtain the calculated amount of energy.

Energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh)	8,760
Fuel consumption from natural gas (MWh)	121
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	-
Total fossil energy consumption (MWh)	8,881
Share of fossil sources in total energy consumption (%)	3%
Consumption from nuclear sources (MWh)	66,586
Share of consumption from nuclear sources in total energy consumption (%)	22%
Fuel consumption for renewable sources (MWh)	230,288
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	811
The consumption of self-generated non-fuel renewable energy (MWh)	1,865
Total renewable energy consumption (MWh)	232,964
Share of renewable sources in total energy consumption (%)	76%
Total energy consumption (MWh)	308,431

Energy generation	2024
Non-renewable energy generation (MWh)	6,327
Electricity generation from non-renewable sources (MWh)	-
Heat generation from non-renewable sources (MWh)	6,327
Renewable energy generation (MWh)	233,291
Electricity generation from renewable sources (MWh)	2,912
Heat generation from renewable sources (MWh)	230,379
Share of biofuels in heat generation (%)	97%

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR million)	1,093

Energy intensity per production volume	2024
Energy intensity per production volume	54%

Koskisen's activities are included in NACE main categories (Rev 1.1) A 020 Forestry, logging and related service activities, DD 2010 Sawmilling and planing of wood; impregnation of wood, DD 2021 Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards and DM 3430 Manufacture of parts and accessories for motor vehicles and their engines, all of which are included in high climate impact sectors.

Reconciliation of energy intensity	2024
Net revenue from activities in high climate impact sectors	282,262,482.57
Revenue in the comprehensive income statement of Koskisen's consolidated financial statements (IFRS)	282,262,482.57

Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

The carbon footprint assessment calculates the product's potential impact on global warming as carbon dioxide equivalent (CO_2eq). The carbon footprint calculation follows the GHG Protocol. The purpose of the calculation is to determine the entire Group's carbon footprint as a means of communication and reporting to stakeholders. Stakeholders to whom the carbon footprint is to be communicated include customers, forest owners, employees, financing providers and authorities. The calculation is carried out annually according to the same principles so that it can be reliably used to monitor the development of the carbon footprint and determining targets. The Group's carbon footprint covers the Group's operations over one year. The carbon footprint is reported per revenue in EUR million and the volume unit m^3, which is the storage unit commonly used in the Group for all product groups. The calculation includes Scopes 1 and 2 and Scope 3, as applicable, for all Group activities. The Scope 3 categories excluded from the calculation are described later in the report. The calculation follows a scientific approach and uses the most accurate information available. If estimates, averages, assumptions or other choices have to be used in the calculation instead of scientific information, they are described in connection with the calculation and in the statement report. Information describing the Group's operations as closely as possible is used as inputs.

The inputs are mainly non-location-specific primary data. Emission factors are mainly scientifically justified secondary data, the sources of which are described in connection with the calculation. The emission factors used are the factors found in the OneClickLCA system's databases, from which the most illustrative option is selected.

The carbon footprint calculation is not geographically limited, as the majority of products end up in exports to different continents and their impacts throughout their entire life cycle are taken into account.

The calculation is carried out using the OneClickLCA system. As far as possible, the data collected for the other information requirements of the ESRS standards is used in the data collection. All assumptions used in the calculation are clearly stated. The assumptions and selections related to the calculation details are described below in the report.

General assumptions as the basis for calculation:

- By default, wood raw material produces no carbon dioxide emissions over the product's service life.
- In the end-of-life phase, the products are disposed of by incineration, which generates emissions from the adhesives and coatings contained in panel products. The emissions from the incineration of wood material are zero, assuming that the forest is regenerated.

The calculation uses an allocation procedure to avoid double calculation between different product groups. With regard to products moving within the Group, emissions are allocated to the final product sold to an external customer. This applies, for example, to the use of wood chips from sawn timber production as raw material for chipboard and the use of logs purchased from timber procurement as raw material for sawn timber. The main applications of the Sawn Timber Industry and Panel Industry segments are expected to be long-lasting wooden structures that last for more than ten years, so the products bind organic carbon during their service life, creating a carbon handprint. The carbon handprint is reported separately and is not added to the carbon footprint.

The Panel Industry segment's plywood and chipboard products are used in construction, transportation, stamping, interior design and furniture, carpentry, walls and floors. Kore products are transport flooring solutions for the automotive industry. Sawn Timber Industry's products are used in construction (floors, walls, structural sawn timber), carpentry, packaging and timber trade.

The service life of by-products, wood procurement and products of the thin plywood industry is assumed to be less than ten years, and the impact of carbon sequestration is not calculated for them. Outbound by-products go to pulp mills for pulp production and energy use. Outbound logs go to the sawmill and plywood industry, fibre to the pulp industry and energy wood and chips for energy production. The applications of veneers and thin plywood in the plywood industry include aircrafts, design products, laser cutting and CNC machining, interior design elements, technical structural panels and musical instruments.

	Retrospective				Milestones and target years**			
	Base year	2023*	2024	% 2024/ 2023*	2025	2030	(2050)	Annual % target/base year
Scope 1 GHG emissions	2022	N/A		N/A	N/A	N/A	N/A	N/A
Gross scope 1 GHG emissions (tCO_2eq)	7,576	N/A	6,195	N/A				
Percentage of scope 1 GHG emissions from regulated emission trading schemes (tCO_2eq)	N/A	N/A	27%	N/A				
Scope 2 GHG emissions	2022			N/A	N/A	N/A	N/A	N/A
Gross location-based scope 2 GHG emissions ($tCO_2eq.$)	4,674	N/A	4,653	N/A				
Gross market-based scope 2 GHG emissions (tCO_2eq)	14,676	N/A	-	N/A				
Significant scope 3 GHG emissions	2022			N/A	N/A	N/A	N/A	N/A
Total Gross indirect (scope 3) GHG emissions (tCO_2eq)	168,560	N/A	160,990	N/A				
1 Purchased goods and services	96,005	N/A	78,961	N/A				
2 Capital goods	9,942	N/A	15,962	N/A				
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	11,977	N/A	16,569	N/A				
4 Upstream transportation and distribution	3,586	N/A	3,810	N/A				
5 Waste generated in operations	990	N/A	871	N/A				
6 Business travelling	228	N/A	180	N/A				
7 Employee commuting	974	N/A	819	N/A				
9 Downstream transportation	38,723	N/A	38,165	N/A				
12 End-of-life treatment of sold products	6,137	N/A	5,653	N/A				
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	180,810	N/A	171,838	N/A				
Total GHG emissions (market-based) (tCO_2eq)	190,813	N/A	167,185	N/A				

*Comparison data is not provided on the basis of the transitional provision.
**The current targets have been set for 2027 and have been previously reported under the heading E1-4.

Scope 1 and 2 CO_2 emissions	2024
Gross Scope 1 and 2 GHG emissions (location-based) (tCO_2eq)	10,848
Location-based Scope 1 and 2 CO_2 emissions per net revenue	38
Gross Scope 1 and 2 GHG emissions (market-based) (tCO_2eq)	6,195
Market-based Scope 1 and 2 CO_2 emissions per net revenue	22

Biogenic emissions of CO_2	2024
Biogenic emissions of CO_2 separate from scope 1 emissions (tCO_2eq)	86,819
Biogenic emissions of CO_2 separate from scope 2 emissions (tCO_2eq)	-
Biogenic emissions of CO_2 separate from scope 3 emissions (tCO_2eq)	827,419

Share of primary data of Scope 3 GHG emissions	2024
Share of primary data in GHG Scope 3 calculation (tCO_2eq)	88,498
Share of primary data of Scope 3 GHG emissions	55%

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2eq/EUR million)	609
Total GHG emissions (market-based) per net revenue (tCO_2eq/EUR million)	592

The revenue used in the calculation of greenhouse gas intensity corresponds to the Group's consolidated revenue, which can be found under 'Consolidated financial statements (IFRS), consolidated statement of comprehensive income.

Accounting principles

GHG emissions have been calculated in accordance with the GHG Protocol. The calculation system used is OneClickLCA, which provides access to the EPD database and Ecoinvent's emission factors. The biogenic emissions from the end-of-life treatment of sold products only include carbon dioxide emissions, but for the fuels used in Scope 1, the calculation also takes other gases into account.

Scope 1 GHG emissions include all direct emissions from Koskisen Group's own plants and sites. The calculation has been made using the OneClick LCA GHG Reporting tool. The calculation covers the operating countries (Finland, Poland). Fuel consumption is obtained from purchase invoices. Own electricity production is read from electricity reports. The emission factors are selected from the OneClick LCA software to best cover the activity and geographical region.

Scope 2 GHG emissions cover both of the Group's operating countries, Finland and Poland. In Finland, electricity consumption data is collected from the EnerKey portal, and in Poland, the data is based on purchase invoices. The location-based calculation uses the average emission factors of electricity production in Finland and Poland. The market-based calculation uses the emission factors of nuclear energy in Finland and the emission factors of renewable electricity in Poland. Since no separate data in which the direct emissions from nuclear energy were defined as zero was available in the calculation software used, the emission factor for renewable electricity was applied for nuclear energy. In addition, the Finnish renewable electricity emission factor was used for Poland, as no separate country-specific renewable electricity factor was available for Poland.

Scope 3 emissions are reported on the basis of the GHG Protocol, in which they are divided into 15 categories (C1–C15):

C1 (Purchased goods and services)

The calculation uses the average-data method, in which emissions are estimated by collecting information on the mass or other relevant unit and multiplying it by the average emission factor applicable to the activity in question. The calculation covers the company's two operating countries, Finland and Poland. The emissions of purchased services have been estimated using monetary data and euro-based emission factors. The emission factor used was always the value that best described the activity in question and was available in the OneClick LCA database. The calculation assumptions were that raw materials, packaging materials and other materials used at the plants account for the most significant part of emissions. No direct emission factors were found for impregnated adhesive papers, so the emission factors of paper and resin were combined as their emissions.

C2 (Property, plant and equipment)

The calculation uses the average-data method, in which emissions are estimated by collecting information on the mass or other relevant unit and multiplying it by the average emission factor applicable to the activity in question. The calculation covers the

company's two operating countries, Finland and Poland. The emissions of purchased services have been estimated using monetary data and euro-based emission factors. The emission factor used was always the value that best described the activity in question and was available in the OneClick LCA database. The calculation assumptions were that raw materials, packaging materials and other materials used at the plants account for the most significant part of emissions. No direct emission factors were found for impregnated adhesive papers, so the emission factors of paper and resin were combined as their emissions.

C3 (Fuel and energy-related activities)

In the calculation, scope 1 and 2 emissions have been estimated by multiplying them by upstream emission factors (stages A1–A3). The calculation covers both operating countries, Finland and Poland. The assumption is that the transmission loss of electricity in Finland is less than 2% on average (Fingrid, 2023), and accordingly, a transmission loss of 2% has been applied in the calculations. In addition, upstream emissions of wood-based biofuels (e.g. by-products) are included in the emissions of logs included in raw materials.

C4 (Upstream transportation and distribution)

The calculation uses the average-data method, in which emissions are estimated based on fuel consumption or kilometres driven and multiplying them by the suitable emission factor. The calculation covers both operating countries, Finland and Poland. The assumption is that the harvesting and transportation of wood raw material are included in category 1, i.e. they are included as part of the emissions of purchased goods and services.

C5 (Waste generated in operations)

The calculation uses the average-data method, in which emissions are estimated based on the mass data of waste volumes by multiplying it by the average emission factor applicable to the waste type in question. The calculation covers the Group's operations in Finland and Poland. The average emission factors for mixed waste and hazardous waste have been used as a default, and recycled waste has not been reported separately.

C6 (Business travel)

In the calculation, travel by car is based on the stated kilometre allowances. The GHG emissions of flights have been obtained directly from the travel agency, and they have been calculated using the DEFRA method. Emissions from travel by ship, bus, taxi, metro, air, train and boat have been estimated based on the average travel distances of each mode of transport group. The following average distances have been used as a default for different modes of transport (excluding flights): ship 87 km, taxi 10 km, bus 20 km and metro 10 km.

C7 (Employee commuting)

Employee commuting includes travel between home and work. The average distance has been calculated based on the municipalities from which the employees come and how far these locations are on average from the plant sites. The calculation covers the Group's operations in Finland and Poland. The assumption is that all employees travel to work by a petrol-powered car, as no more detailed statistics on modes of transport are available.

C9 (Downstream transportation and distribution)

The calculation uses the average-data method, in which emissions are estimated on the basis of the distances transported by multiplying them by the emission factor corresponding to the mode of transport. The calculation covers the Group's operations in Finland and Poland. The distances to different countries have been roughly estimated and are based on estimates of average transport distances between the destination countries.

C12 (End-of-life treatment of sold products)

The calculation method used was the mass of sold products multiplied by the average end-of-life emission factor of wood waste. The calculation covers the Group's operations in Finland and Poland. The calculation of biogenic emissions was based on the following assumptions: the dry matter content of wood is 80%, the proportion of carbon in the dry matter is 50% and the conversion factor of carbon to carbon dioxide is 44/12, i.e. 3.667 (molar mass ratio). The calculation was done manually because there were no applicable emission factors available in the OneClick LCA tool.

Koskisen has concluded an entirely nuclear power-based electricity contract with Vattenfall to cover all operations in Finland. In Poland, the electricity contract is based on 100% renewable energy.

The table below broken down by Scope 3 categories shows which categories have been included in the calculation of greenhouse gas emissions and which have been excluded as irrelevant for the Group's operations. The impacts of categories 7, 8, 10, 11, 13, 14 are minor and not included in the emission figures.

Upstream Scope 3 emissions	
Category 1: Purchased goods and services	included
Category 2: Capital goods	included
Category 3: Fuel- and energy-related activities	included
Category 4: Upstream transportation and distribution	included
Category 5: Waste generated in operations	included
Category 6: Business travelling	included
Category 7: Employee commuting	included
Category 8: Upstream leased assets	n/a
Other	n/a

Downstream Scope 3 emissions	
Category 9: Downstream transportation and distribution	included
Category 10: Processing of sold products	n/a
Category 11: Use of sold products	n/a
Category 12: End-of-life treatment of sold products	included
Category 13: Downstream leased assets	n/a
Category 14: Franchises	n/a
Category 15: Investments	n/a
Other	n/a

GHG removals and GHG mitigation projects financed through carbon credits

E1-7

Greenhouse gas removals include the sequestration of biogenic carbon in Koskisen's wood products. The method of calculating carbon sequestration is based on product-specific EPD calculations verified by an external party, and calculation pursuant to the GHG Protocol, which Koskisen has commissioned from an external service provider and is described in section E1-6 Gross and Total Scope 1, Scope 2 and Scope 3 GHG emissions.

Koskisen manufactures long-lasting wood products that bind biogenic carbon for decades. When growing, wood naturally absorbs carbon dioxide from the atmosphere, which is retained in the wood until the wood product is ultimately disposed of by incineration or composting. Koskisen sells its products to the construction industry, among others, where wood products generally last for decades. There are no policies for managing the risk of non-permanence.

The amount of carbon dioxide stored in wood products is calculated by multiplying the sales volumes by negative biogenic carbon dioxide emissions according to the environmental product declarations (EPDs). The calculation takes into account products for which an environmental product declaration exists and which can be assumed to have a life cycle of more than 10 years.

GHG capture	**2024**
Carbon dioxide stored in long-lived products (tCO_2eq)	272,376

Internal carbon pricing

E1-8

Koskisen has not implemented an internal carbon pricing system.

ESRS E4 Biodiversity and ecosystems

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

ESRS 2 / SBM 3

Koskisen's material impacts, risks, and opportunities related to biodiversity and ecosystems are located in the forest management part of the value chain. The location includes Koskisen's wood procurement area and the sites which the company owns or has felling rights to. In factory operations regulated by local environmental legislation, the sites are not associated with material impacts, risks or opportunities related to sustainability.

The forestry operations related to Koskisen's value chain in the aforementioned locations may have a negative impact on biodiversity-sensitive areas. Koskisen mainly procures wood from Central, Eastern, and Southern Finland, primarily from private landowners and to a small extent from the company's own forest properties. Koskisen has harvesting rights on the properties of private landowners, which means that Koskisen is responsible for operations on behalf of the landowner.

The ecological state of the forest ecosystems at the locations corresponds to the basic level of Finnish forest nature. There may be biodiversity-sensitive areas at individual sites or near them. The location and other relevant information of biodiversity-sensitive areas to be considered in forestry operations are based on official data and are managed in the forest information system, where there is information about individual sites. This information can also be obtained through official notifications based on the statutory forest use declaration. Some sites may also be encountered in the field, as not all sites have preexisting information available.

In Koskisen's wood procurement areas, the aforementioned sensitive areas are presented in Table E4-5 under the section 'Impact metrics related to biodiversity and ecosystems change' in the subsection 'Sites near protected areas (pcs and ha)'.

The company has identified that its upstream activities may cause material negative impacts related to land degradation. No negative effects have been found on soil sealing or desertification.

Forestry operations may affect threatened species in the forest environment.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

ESRS 2 / IRO 1

Koskisen has assessed the actual impacts and risks related to biodiversity and ecosystems throughout its value chain, including its own sites. Negative impacts and risks have been identified at the upstream value chain, in Koskisen's and private landowner's forests where the raw material is purchased. The process for identifying and assessing material impacts, risks and opportunities is described in the general disclosures of the sustainability report in IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

The material impacts are concentrated at the upstream value chain. Koskisen's operations at the upstream value chain are intrinsically linked to harvesting and forest management. These measures cause changes in land cover (the state of trees and other vegetation and water bodies) and weaken the interconnectedness of species and natural values, which have a wide-ranging impact on the ability of land and water areas to maintain biodiversity. The effects are visible in different ways depending on the time span examined.

Physical and transition risks have been identified in accordance with the double materiality assessment described in the resilience analysis prepared by the company, which is outlined in section E4-1.

The process of identifying and assessing material impacts, risks, and opportunities has taken into account stakeholders affected by these impacts through interviews with a selected group. Targeted consultations with communities affected by impacts related to biodiversity and ecosystems have not been arranged.

Individual sites within Koskisen's wood procurement areas, or in their vicinity, may contain biodiversity-sensitive areas. Finnish legislation identifies habitats and protected

areas that are sensitive to forestry, but where forestry operations may be carried out in close proximity.

Operations taken near water bodies also have potential impacts on aquatic ecosystems. Operating in the vicinity of these sites is regulated by law, and requirements for operations at these site are set by certification schemes.

Koskisen operates in the vicinity of these areas in accordance with laws, forest certification requirements and national forest management recommendations. Actions to protect biodiversity will be implemented to prevent or mitigate the effects of the operations, taking into account the requirements set by the EU Birds and Habitats Directives. A key method for this is operating in compliance with the national Natura 2000 network.

Sites located in biodiversity sensitive areas

	2024
Sites near protected areas (pcs)	200
Sites near protected areas (ha)	705

Koskisen has operated in the vicinity of these areas in accordance with laws and requirements, and no mitigation actions have been necessaryn during 2024.

Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

E4-1

The resilience of Koskisen’s business model and strategy in relation to biodiversity and ecosystems has been assessed in terms of physical, transition and systemic risks. Although the business model and strategy show resilience, the assessment involves significant risks. The key risks are related to the availability of raw materials, the effects of climate change and other value chain impacts. The analysis covers the upstream value chain, especially from the perspective of raw material procurement. Downstream value chain has not been examined at the moment. The review focused on physical and transition risks.

Key assumptions used in the analysis:

- Regulation of biodiversity issues will become stricter, particularly regarding the expansion of protected areas and restrictions on the use of raw materials. The impacts of the EU Biodiversity Strategy for 2030 are estimated to increase costs and require new operating models in the value chain.
- The negative impacts of climate change on forests will increase. Droughts and extreme weather events are becoming more common. This is expected to weaken the availability of raw materials and increase price volatility. The resource capacity of forests is weakening.
- Koskisen's operations have most impact in areas that are most biodiversity-sensitive. The estimate is based on a review of critical production areas. No significant impact assessment has been carried out for the global value chain.
- Various measures to support biodiversity help mitigate risks, but their scalability is slow and therefore the effects will be visible in the medium to long term.
- Negative climate and biodiversity impacts will occur moderately, increasing over the next 10–20 years.
- The analysis of Koskisen’s operational impacts focuses on the wood procurement area located in Finland.

The analysis covered a short-, medium- and long-term review.

Results of the analysis

The resilience analysis identified the following risks:

- Availability of raw materials: the greatest risk of the strategy is seen as the decline of biodiversity, which has a direct impact on the availability of raw materials. In particular, the loss of forest biodiversity and soil degradation are critical factors that can weaken the raw material supply chain.
- Impacts of climate change: The degradation of ecosystems, including the reduction of forest carbon sinks and the increase in extreme weather events, increases both operating costs and difficulties in accessing raw materials. Drought and moisture conditions affect forest areas, which increases the risk level in all operating areas.
- Impact on the value chain: The risk assessment includes consideration of long-term issues, such as supply chain disruptions caused by biodiversity loss, which can increase costs and complicate operational planning.

Short-term risks highlight fluctuations in raw material prices, which may be caused by, for example, increased unpredictability of weather phenomena. In addition, in the short term, potential regulatory changes, such as immediate additional restrictions on the use of natural resources, may be significant.

In the medium term (5–10 years), the impacts of implementing biodiversity strategies are highlighted, including stricter regulation and the related increases in operating costs. The effects of climate change on ecosystems, such as an increase in droughts, may become evident during this period.

In the long term (>10 years), systemic risks are emphasised. These include, for example, a more permanent deterioration in the state of forests and more serious disruptions to ecosystem services, which may threaten the availability of raw materials and the continuity of operations. Long-term scenarios require a new balance with biodiversity targets and the introduction of new solutions. However, the impacts of long-term systemic risks have not been modelled, even though the possible permanent deterioration of forests and ecosystems has been highlighted.

Resilience against transition risks is implemented through upstream management of the value chain. The company's strategy supports, for example, the objectives of the UN Convention on Biological Diversity and the EU Biodiversity Strategy through certification-required, biodiversity-supporting actions, but the adequacy of the measures does not fully meet the sustainability target levels. Increasing resilience against physical risks is still in its early stages, particularly when considering the long-term impacts of climate change on ecosystems. With regard to systemic risks, the analysis only covers the upstream value chain.

Koskisen does not operate in areas inhabited by indigenous peoples. Other stakeholder engagement takes place mainly within the framework of Koskisen's normal stakeholder interaction, which is described in section SBM-2 Interests and views of stakeholders.

Policies related to biodiversity and ecosystems

E4-2

In its environmental policy, Koskisen is committed to continuously reducing the impact caused by its operations, entire value chain and the entire life cycle of its products on the soil, waters, climate and ecosystems by developing products and production processes that take these principles into account throughout the value chain and product life cycle.

Regarding the impacts of the decline in biodiversity, the company is committed to maintaining biodiversity in the forests it owns. Koskisen advises and trains forest owners on actions that support and promote biodiversity in forest management and harvesting operations. Additionally, Koskisen is committed to the industry association environmental programme and monitors the effectiveness of its actions using metrics.

In accordance with Koskisen's operational policy, the origin of the wood, and its relationship with biodiversity-sensitive areas, is known in all situations. All available information and suppliers' self-declarations are used to verify the origin of the wood. Harvesting utilises a forest information system and digital maps enabling the traceability of the wood supply chain from the stump to the factory. A separate declaration has been issued on the origin of the wood and the implementation of the procurement of the wood.

The operational policy and environmental principles apply to all of Koskisen's operations, without exception. The policies and principles have been approved by the Board of Directors. The executives of the Group and the business units, who are members of the company's Executive Board, are responsible for implementing the policy and reporting on operations to the Board of Directors. Stakeholder perspectives were taken into account in the preparation as part of the double materiality analysis. The Environmental Principles are available to stakeholders on the company's website.

The origin of wood management system complies with the current EUTR, EUDR, PEFC ST2002:2020 and FSC requirements so that all wood material used and sold is at a minimum, included within the scope of the control system. Forest owners are be offered the opportunity to commit to PEFC certification in connection with wood sale.

The principles related to biodiversity and ecosystems in the operational policy and environmental principles have been developed based on the results of sustainability impact, risk, and opportunity assessments. The assessment takes into account how the company contributes to the following direct impacts that cause biodiversity loss: climate change, land use changes, changes in freshwater and marine use, direct exploitation, invasive alien species, pollution and other factors. The assessment has

taken into account the impacts on the status of species, the extent and condition of ecosystems (including land degradation, desertification and soil sealing); ecosystem services and dependencies on them.

Material factors are considered as part of the policies and principles. The principles take into account the material impacts related to biodiversity and ecosystems. The principles also consider the essential dependencies, as well as the significant physical and transition risks and opportunities.

Koskisen has a chain of custody system (PEFC, FSC) that enables the traceability of wood in all procurements. The origin of the raw material is always verified so that the forests in protected areas are safeguarded and the wood is not sourced from controversial or illegal sources. Koskisen is committed to the forest environment programme of the industry association and monitors the effectiveness of the actions with the help of metrics.

Koskisen's material sustainability impacts related to biodiversity and ecosystems do not include social sustainability topics, and therefore the policies do not cover the assessment of their social impacts.

To complement the operational policy, more detailed principles have been defined for wood procurement. Their aim is to reduce and prevent impacts on biodiversity and ecosystems in the procurement of raw materials.

In addition to the requirements of the law, Koskisen's wood procurement principles are based on the Forest Management Recommendations generally recognised in the forest sector and the requirements set by the PEFC or FSC chain of custody. The forest management recommendations are based on research data and expertise gained from practical experience. The forest management recommendations are updated continuously. The requirements set by PEFC and FSC forest certification support biodiversity in the management and use of commercial forests. The requirements set by the schemes are updated regularly.

Koskisen is also committed to the Finnish Sawmills Association's forest environment programme, which supports forest professionals and landowners' understanding of actions that take into account biodiversity, and the metrics defined in the programme are used to monitor the success of the actions implemented by contractors.

The principles are also followed by the partners operating for Koskisen's, which ensures uniform practices.

Koskisen's operational policy, environmental principles and wood sourcing principles include principles that promote the protection of biodiversity and ecosystems and are applied comprehensively in the forest areas owned by Koskisen and in areas for which it holds harvesting rights. There are no practices or operational principles related to agriculture or the sea in Koskisen's operations.

The Code of Conduct for Addressing Deforestation is part of Koskisen's operational policy.

Actions and resources related to biodiversity and ecosystems

E4-3

Koskisen's wood procurement is a continuous process, which means the continuous management of sustainability impacts related to biodiversity and ecosystems by implementing the policies and principles described above. In addition, continuous monitoring and training are of great importance, and will be further developed as part of the annual planning of operations. The aim is to enhance the competence and knowledge of personnel and forest owners in order to strengthen biodiversity actions and their effectiveness. Continuous and comprehensive monitoring that covers all actions provides information on the success and effectiveness of the actions. The certification percentage of raw material procured from the forest was increased, and it is continuously monitored in operations.

The key individual actions to achieve the objectives of the sustainability programme for 2024 were:

- The principles and criteria for wood procurement concerning Koskisen's forestry operations were defined. Based on the criteria, guidelines were drawn up for personnel planning and implementing forestry operations. The criteria and guidelines ensure a uniform level of requirements, the fulfilment of which can be monitored at the operational level.
- Monitoring and developing forestry operations. Monitoring can be used to examine the quality of operations and provide information on the level of actions that take biodiversity into account. The monitoring consists of inspections carried out by

persons independent of the operations, as well as site-specific reporting carried out by machine operators.
- The Finnish Sawmills Association's forest environment programme training as an online course for all employees and contractors. The personnel have been trained to promote voluntary conservation at suitable sites in cooperation with forest owners and partners.
- IT systems were developed as part of the continuous development of quality control and operational monitoring. The most important projects in 2024 were updating the occurrence data of endangered species in the company's own forest resource information system, as well as participating in the development project of the self-monitoring tool in cooperation with other companies in the industry and a system developer.

No significant financial resources have been used for the actions. Other financial resources related to forest management services in accordance with the EU Taxonomy are described in the section EU Taxonomy reporting, but they are not linked to the actions described.

The actions and the continuous process of Koskisen's wood procurement do not include ecological compensation. The actions have not specifically integrated the knowledge of nature or special solutions of local indigenous communities.

Targets related to biodiversity and ecosystems

E4-4

Targets	KPI target 2027	Base year 2022	2024	Aspects related to the targets
Availability of high-quality, certified Finnish wood	Share of certified round wood 88%	81.0%	86.6%	Ensuring measures that promote biodiversity
Increasing expertise	100% of own wood procurement personnel have received training on biodiversity	-%	100.0%	Ensuring measures that promote biodiversity
Increasing expertise	100% of contractors have received biodiversity training	-%	85.0%	Ensuring measures that promote biodiversity

Ecological thresholds have not been specifically considered in the target setting. However, Koskisen takes into account the achievement of the following/general, non-community-specific ecological thresholds in its operations, as described above. Koskisen's wood procurement unit has the responsibility to ensure the compliance with these thresholds in all actions carried out by Koskisen.

The targets will contribute to actions that align with the policy, i.e. the development of structural features of forestry in line with the Kunming-Montreal Global Biodiversity Framework, the relevant aspects of the EU Biodiversity Strategy for 2030 and other national policies related to biodiversity and ecosystems. However, based on scientific evidence, the measures are not sufficient to ensure the achievement of these objectives at the national level. In wood procurement, Koskisen defines actions in interaction with forest owners. The decision on actions exceeding the minimum level of operations, which consists of the requirements of PEFC forest certification, is ultimately made by the owners of the sites. In order to achieve the national target levels, a wide range of measures are needed, not all of which are directly possible for forest industry companies to implement in their own operations.

The targets are related to the impacts, dependencies and risks on biodiversity and ecosystems, both in the company’s own operations and at the upstream of the value chain. The objectives aim to enhance biodiversity actions implemented in connection with forestry operations and their monitoring.

The targets are geographically focused on all of Koskisen’s forestry operations.

Ecological compensations have not been utilised and stakeholders have not been involved in setting targets.

In line with the mitigation hierarchy, the targets aim to equally avoid and minimize impacts on biodiversity and ecosystems. The targets do not include those related to rehabilitation nor compensation or offsets. The planned actions are monitored at the sites with metrics that provide information on the development of structural features in forestry operations in accordance with the Forest Environment Programme for the Sawmill Industry.

Impact metrics related to biodiversity and ecosystems change

E4-5

Forestry practices that take forest nature into account consist of considering valuable habitats, favouring mixed forests over single-species forests, maintaining retention trees and making high stumps, protective thickets, saving dead wood and low-yielding areas. The implementation of these is monitored in operations through sampling-based audits. The extent of operations near protected areas is documented in relation to biodiversity-sensitive areas. These areas are excluded from operations, or operations are carried out in accordance with the restrictions defined by the authorities.

Regarding the impacts on biodiversity and ecosystems, the preservation of biodiversity-supporting structural features is measured, but it doesn't measure directly measure the state of nature. The set of metrics is based on monitoring activities in the forest

environment in accordance with Koskisen's objectives. The metrics are mainly defined to align with the goals of the Sawmill Industry Association's forest environment program, and they also measure the implementation of PEFC forest certification requirements in wood procurement activities. The increase in expertise is also reported as part of the biodiversity metrics. Targets for these have been set in Koskisen's sustainability program. The monitored actions have shown positive biodiversity development, although they do not directly correspond to the achievement of ecological sustainability thresholds as they stand.

The audits included in the metrics are carried out on the sites where forest management activities have been implemented. They are based on sampling, covering all activities and areas where Koskisen operates. The audits are partly targeted at areas with biodiversity-sensitive regions or waterbodies. However, at least 25% of the audits are based on random sampling. The monitoring is carried out when the ground is unfrozen, and the sites to be inspected are selected from the operations carried out during the year. The audits are carried out in the field and the monitoring is repeated annually. Self-monitoring audits are conducted at the sites to support the reportable metrics, and the information obtained from them supports the information on the audits. The uncertainties of site-specific audits are related to the subjective view of the auditors, as not all factors related to the metrics, such as the diameter of the retention trees or the amount of dead wood, are measured separately in all respects, and the number of thickets to be left may depend on the characteristics of the site, in which case they may not exist at all, or they may have been left as a larger coherent entity, in which case the number does not indicate the success of the measure. The share of certified roundwood is a calculated, accurate metric, the implementation of which is continuously monitored.

Biodiversity metric	2024
Biodiversity-related compensations (t€)	-
Sites close to protected areas (pcs)	200
Sites close to protected areas (ha)	705
Share of stands where thickets have been left in accordance with the instructions (%)	50%
Number of thickets left (pcs/ha)	2
Share of deciduous species in sold seedlings (%)	33%
Number of aspen trees (diameter > 40 cm) retained after forest management activities	0.2
Share of stands where high stumps have been left in accordance with the guidelines (%)	2%
Number of high stumps made (pcs/ha)	2
Share of stands where live retention trees have been left in accordance with the guidelines (%)	81%
Number of retention trees left (pcs/ha)	11
Number of dead wood left (pcs/ha)	4
Personnel trained in the criteria for METSO and environmental support (%)	85%
Contractors have received training on biodiversity (%)	85%
Own wood procurement personnel have received training on biodiversity (%)	100%
Amount of certified roundwood (%)	87%

Individual sites in Koskisen's wood procurement areas, or in their vicinity, may have biodiversity-sensitive areas. Forestry operations can potentially have a significant impact on biodiversity.

Koskisen's considers its entire wood procurement area as having the potential for biodiversity-sensitive areas either within or nearby.

Koskisen has stated that its operations do not promote land use change. Koskisen's wood procurement takes into account the biodiversity and vitality of forest ecosystems and also supports forest regeneration.

ESRS E5 Resource use and circular economy

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

IRO-1

Koskisen has identified and assessed resources and its operations to identify actual and potential impacts, risks and opportunities in its own operations and upstream and downstream value chain. The methods, assumptions and tools used for identification and assessment are described in section ESRS 2 IRO-1 of the sustainability statement. Even though the identification and assessment process was mainly carried out at a general level, the assessment of own operations focused on sawn timber, plywood and chipboard activities, related customers in business relationships and, geographically, Koskisen's production plant in the municipality of Kärkölä and nearby areas. The connections of different levels of resource dependencies, such as the availability of wood raw material and skilled labour, to potential risks were also identified. Various circular economy issues, especially related to the use of recycled materials, were emphasised in the stakeholder consultation process in the views of chipboard customers.

Policies related to resource use and circular economy

E5-1

In its environmental policy, Koskisen is committed to continuously reducing the impact caused by its operations, entire value chain and the entire life cycle of its products on the soil, waters, climate and ecosystems by developing products and production processes that take these principles into account throughout the value chain and product life cycle.

With regard to circular economy, the company is committed to operating in accordance with material efficiency principles, which in particular means using wood raw material as fully as possible. The environmental policy sets out a goal of developing the use of wood raw material side streams and increasing the degree of processing as product components. Biofuels are produced from felling waste and by-products of wood processing and used as fuel for Koskisen's plants and nearby district heating plants. The operations follow the waste hierarchy principle.

The environmental policy has been approved by the company's Board of Directors. The executives of the Group and the business units, who are members of the company's Executive Board, are responsible for implementing the policy and reporting on operations to the Board of Directors. Stakeholder perspectives were taken into account in the preparation of the policy as part of the double materiality analysis. The environmental policy is available to stakeholders on the company's website Policies and principles - Koskisen.

Thanks to its integrated operating model, Koskisen taps synergies between its various activities, industrial flows and the recyclability of products. In accordance with its environmental policy, Koskisen uses the renewable wood raw material it procures down to the last particle of sawdust, which indirectly reduces the use of primary resources and increases the use of secondary resources, such as sawdust, in new products. No direct goal has been set to move away from using wood as a primary resource.

The principles of sustainable procurement and use of renewable natural resources are discussed in the company's policies, environmental policy and principles for wood procurement. In addition to legal requirements, the principles of wood procurement are based on the generally recognised forest management recommendations and the requirements set by the PEFC or FSC chains of custody.

Actions and resources related to resource use and circular economy

E5-2

Koskisen's actions are targeted at its own operations in the value chain. Resource efficiency is improved in production processes. The key actions and their implementation schedule are described in the table below. The ramp-up and production optimisation of the new Järvelä sawmill continued in 2024, which has improved yields in the use of wood raw material as main products. In addition, the plywood plant completed investments in a spindleless peeling line and the modernisation of the veneer dryer in 2024, which will improve yield and reduce waste.

The new log yard will reduce the formation of sandy field bark that ends up as waste. A comprehensive investment programme for the plywood production of the Panel Industry segment in Järvelä was announced in late 2024 with the aim of improving the productivity, quality and yield of plywood production. The first phase of the investment programme will be implemented in 2025 and the programme will run until the end of 2027.

The resources for implementing the actions are determined on an action-by-action basis, either as capital expenditure or operating expenditure. Financial information is disclosed in the EU Taxonomy Report.

Key actions	Implementation schedule	Capital expenditure EUR thousand	Operating expenditure EUR thousand
Reducing sandy field bark formation	2025	NOT FOR 2024	NOT FOR 2024
Spindleless peeling line	Implemented in the reporting year 2024	NOT FOR 2024	NOT FOR 2024
Veneer dryer modernisation	Implemented in the reporting year 2024	NOT FOR 2024	NOT FOR 2024
New Järvelä sawmill	Implemented before the reporting year	NOT FOR 2024	NOT FOR 2024

Targets related to resource use and circular economy

E5-3

Targets	KPI target 2027	2022	2024	Aspects related to targets	Waste hierarchy layer
Efficient and optimised use of wood raw material	Wood raw material efficiency for long-lasting wood products 60%	55%	50%	Reducing resource inflows; Minimisation of primary raw material	1. Prevention
Increasing the use of recycled material in chipboard production	Share of recycled material in chipboard raw material 5%	-%	-%	Reducing resource inflows and waste; Increasing the use of recycled materials	2. Recycling
Innovating new circular solutions	Increase in product development resources (EUR) +10%	0.3 MEUR	0.3 MEUR	Reducing resource inflows and waste; Increasing circular product design	2. Recycling

All targets are related to reducing resource inflows, in addition to which increasing the use of recycled material and innovating new circular economy solutions will reduce resource outflows in the form of waste. The targets are not related to waste management. No specific methods or significant assumptions have been used in defining the targets, and they are not related to national, EU or international policy objectives. The setting of targets takes into account the legislative changes to the circular economy and the use of primary resources.

The aim is to increase circular product design by increasing product development resources by 10% by 2027 from the 2022 level. The use of recycled material in chipboard production will be increased, with the aim of increasing the share of recycled material in the chipboard raw material to 5% by 2027.

Koskisen's woodwise operating model, which aims for the highest possible and optimised use of raw materials, naturally minimises the use of primary raw materials per the produced volume of long-life wood products, such as chipboard. However, since a significant part of production uses side streams already generated in Koskisen's production as secondary raw materials, the change in the efficiency of operations will not directly affect the need for primary raw materials to a corresponding extent.

Koskisen's integrated sawmill industry operating model is based on the use of renewable raw materials in accordance with the cascade principle in its own operations. The wood raw material is primarily used to produce long-life sawn timber and plywood products derived from fibre wood, and side streams, such as chips and sawdust from production, are used in chipboard. Parts that cannot be used for sawn timber and wood-based products, such as bark, are used as bioenergy. The products manufactured by Koskisen can be reused after their primary use, either through recycling or as bioenergy. In the end, almost all of Koskisen's wood products and plywood can be composted after chipping. The product documentation contains information on the recommended methods of further use or disposal of each wood product.

The targets are set by Koskisen itself and are not related to mandatory statutory requirements. Stakeholders have not been engaged in defining the targets.

Resource inflows

E5-4

Koskisen's most important resource inflows are wood, the main raw material used in manufacturing, and other raw materials and packaging materials. In addition, water, machinery and supplies are consumed as commodities in production. In sawn timber products, wood is the only raw material, with the exception of painted wood products. In addition to wood, adhesives and coatings are used as raw materials in panel products, and plastic and metal parts are also used in KORE products. Plastic, cardboard and foil packaging as well as base pallets are used as packaging materials.

The purchase quantities of wood are accurately known by volume unit, from which they are converted to the reporting unit based on average assumptions. The quantities of other raw materials and packaging materials are obtained either from our own purchasing systems or from supplier surveys, which are compared with the quantities in our own purchasing system. Otherwise, the data does not include significant assumptions and is calculated on the basis of measured inputs.

Koskisen uses side streams from its own operations in its products. Chipboard is produced from sawdust and other side fractions, such as bark, are used as fuel for heating own production plants. In 2024, the use of own side streams in products and energy production totalled 60,029 tonnes.

To avoid double calculation, resource inflows are taken into account when the resource flows into Koskisen's operations for the first time. In the case of further processing, the material flow is not calculated a second time.

Total resource inflows (t)	**2024**
Raw materials, wood (t)	715,943
Raw materials, wood-based coatings (t)	1,165
Raw materials, wood-based adhesives (t)	791
Packaging materials, wood (t)	1,645
Packaging materials, paper fibres (t)	705
Volume of biological material (t)	720,249
Proportion of biological materials (%)	98%
Raw materials, other coatings (t)	1,640
Raw materials, oil-based adhesives (t)	12,160
Raw materials, metals (t)	90
Raw materials, plastics (t)	216
Packaging materials, plastics (t)	127
Packaging materials, metals (t)	6
Volume of non-biological materials (t)	14,239
Total material inflows (t)	734,487
Use of own side streams in products (t)	60,029
Volume of recycled materials (t)	60,942
Proportion of recycled materials (%)	8%

Wood material flows	**2024**
Wood procurement (m^3)	1,588,166
Use of wood at plants (m^3)	906,584
Use of own side streams in products (m^3)	150,072
Efficiency of wood use in long-life products %	50%

Resource outflows

E5-5

Koskisen's main products are sawn timber and processed products as well as chipboard and plywood. The products are made from renewable natural material that can be reused, recycled or recovered as energy at the end of its life. The products manufactured by Koskisen are mainly high-strength and long-life products. The products are used in construction, packaging and furniture industries. In Panel Industry, the products are also used in the transportation industry, for which KORE products related to furnishing commercial vehicles are processed in addition to basic panel products.

Koskisen's main products are basic materials for industry and construction, which do not differ from other similar wood-based products in terms of durability or reparability. Wood products are technically fully recyclable, disregarding whether the end-use site is prepared to implement recycling.

Total products sold (t)	2024
Products (t)	560,754
Proportion of recyclable products (%)	100%
Proportion of recyclable packaging (%)	100%

Total amount of waste (t)	2024
Amount of ordinary waste to prepare for reuse (t)	38
Amount of ordinary waste to be recycled (t)	503
Amount of ordinary waste for other recovery (t)	157
Amount of ordinary waste for other than disposal (t)	698
Amount of ordinary waste for incineration (t)	277
Amount of ordinary waste to landfill (t)	59
Amount of ordinary waste for other disposal (t)	-
Amount of ordinary waste for disposal (t)	336
Amount of hazardous waste for preparation for reuse (t)	19
Amount of hazardous waste for recycling (t)	-
Amount of hazardous waste for other recovery (t)	-
Amount of hazardous waste for other than disposal (t)	19
Amount of hazardous waste for incineration (t)	184
Amount of hazardous waste to landfill (t)	-
Amount of hazardous waste for other disposal (t)	30
Amount of hazardous waste for disposal (t)	213
Total amount of radioactive waste (t)	-
Total amount of hazardous waste (t)	232
Total amount of waste (t)	1,266
Total amount of waste for other than disposal (t)	717
Total amount of waste for disposal (t)	550
Total amount of non-recycled waste (t)	550
Proportion of non-recycled waste (%)	43%

The reported volumes of waste streams are based on the legally required waste accounting, which maintains the volumes of waste transported in weight units.

Social information

Koskisen's Human Resources Principles and Code of Conduct are based on UN Guiding Principles, the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Corporations. With the principles Koskisen ensures safe and healthy working conditions in all its places of business for both its own employees and the employees of its subcontractors.

ESRS S1 Own workforce

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

ESRS 2 / SBM-3

As described in chapter ESRS 2, Koskisen's entire own workforce is included within the scope of Koskisen's sustainability impacts and sustainability reporting. The actual and potential impacts as well as the associated risks and opportunities are not directly attributable to the company's strategy or business model, and therefore there has been no need to adapt them. However, the importance of the community has been identified and the importance of Koskisen's employer image has been taken into account in the strategy. The strategy also includes the key objectives for occupational safety and well-being at work in accordance with the sustainability programme.

The material impacts concern people working at the production plants. In addition to own workforce, Koskisen's sites also have contractors and their permanent employees. In addition, there are self-employed persons at the sites. The company also has temporary workers at its Polish sites. With regard to occupational safety, accidents of non-employees are also reported. In other respects, the reporting covers all people in Koskisen's own workforce, who could be materially impacted by the company, with regard to the information that has been disclosed in accordance with ESRS 2.

Koskisen's material negative impacts are caused by working in an industrial environment and are related to individual cases. People working in the plant environment are exposed to a higher risk of occupational accidents. A higher risk of exposure to psychosocial stress has been identified in expert work.

Koskisen's material positive impacts concern employment and the economic well-being of the neighbouring areas as well as the active promotion of occupational well-being and health. The positive impacts concern the working areas surrounding Koskisen's locations in Finland and Poland.

The risks related to Koskisen's material sustainability topics are based on the volatile climate in the labour market, such as possible industrial action and, for example, strikes. Furthermore, accident and damage risks in production facilities could, if realised, lead to Koskisen's obligation to compensate for losses and delay or interfere with the delivery of Koskisen's products and services.

Similarly, a good reputation as a responsible employer creates opportunities through better recruitment success, lower workforce turnover and, in general, higher employee satisfaction and the resulting productivity.

In 2024, Koskisen began preparing a transition plan for climate change mitigation and adaptation. The potential impacts of the implementation of the transition plan on the company's own workforce will be assessed as part of the process during 2025.

Koskisen has no operations or locations in areas or countries with a significant risk of forced labour or the use of child labour.

Koskisen's occupational health and safety management system ISO 45001 includes processes for managing material negative impacts related to own workforce. Koskisen has identified in its employee-related processes that , including the assessment of work hazards, that people working in a plant environment, in particular, face more actual and potential negative impacts related to occupational health and safety. These are defined as work-related physical hazards and accidents, occupational health problems, and physical, ergonomic and chemical exposures.

Koskisen's material risks and opportunities related to its own workforce do not concern a specific personnel group, production plant or country.

Policies related to own workforce

S1-1

Koskisen's operating policy, Code of Conduct and personnel principles guide the identification, assessment, management and correction of material sustainability impacts, and they cover all geographical areas of operations. The management of the Group and business units is responsible for implementing the policies and the more detailed principles derived from them.

In its operating policy, Koskisen is committed to excellent working conditions for its personnel, continuous competence development, well-being at work, safety at work and investing in health. The significance of quality, environmental and safety issues has been clearly identified and Koskisen takes responsibility for their maintenance and development.

The personnel principles ensure the achievement of the objectives outlined in the operating policy regarding material sustainability topics, i.e. occupational health and safety and being an employer. In accordance with the principles, occupational safety management is based on the certified ISO 45001 system.

The personnel principles set out the main principles for leadership, remuneration, safety, well-being at work and work ability, culture and equality, competence development and recruitment and induction. The personnel principles are supplemented by internal HR instructions. The operating policy and personnel principles are publicly available on the company's website.

The Code of Conduct describes the operating methods and stakeholder-specific commitments. With regard to own workforce, they commit to ensuring safe and healthy working conditions at all locations for both own and subcontractors' employees. In addition, the operating methods include diversity and inclusion, a respectful and harassment-free working environment, freedom of association, privacy and commitment to human rights. The operating policy, personnel principles and Code of Conduct cover the Koskisen Group's entire personnel without excluding anyone, and the results of the double materiality assessment have been taken into account in their preparation, and defined stakeholders, such as the personnel representative, were consulted.

The Group's safety manual and separate occupational health and safety manual, which contain more detailed principles, describe Koskisen's general safety and occupational health and safety policies. The manual, together with the measures and documents referred to in it, make up Koskisen's general occupational safety and health programme. They also cover all of the Group's operations, with plant work emphasised in the themes. The manuals are updated in cooperation with the employee representatives.

Koskisen's personnel principles and Code of Conduct are based on the UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

Koskisen's personnel principles, Code of Conduct and operating policy describe the commitments to ensuring the realisation of human and labour rights. Koskisen promotes equality and non-discrimination in accordance with the equality and non-discrimination plan.

In personnel-related matters, Koskisen's official dialogue forums in Finland are the Group's work community group and the occupational safety committee. These include employee representatives and the company's operational management. Internal communication takes place via the intranet. In Poland, dialogue takes place as required by local regulations in the form of employee meetings. Communication also takes place via bulletin boards.

Measures to correct or enable the correction of human rights impacts identified as part of the risk assessment or other work-related impact identification processes in units are prepared annually as part of the action plans related to the implementation of the personnel principles.

All employees have the opportunity to make observations through the Continuous Development Forum, and these are answered transparently to everyone.

Koskisen's policies concerning its own workforce correspond to the UN Guiding Principles, including the principles on companies' human rights responsibilities. The international principles are implemented as part of compliance with national legislation, to which Koskisen is committed in all of its operations.

Koskisen's Code of Conduct commits to ensuring that Koskisen does not use forced labour or child labour, and the same is required of everyone in the supply chain. Committing to preventing human trafficking is part of our Code of Conduct commitment to respecting the human rights.

In its Code of Conduct, Koskisen is committed to ensuring safe and healthy working conditions at all locations for its own employees and those of its subcontractors. The ISO 45001 occupational health and safety management system covering all of

Koskisen's operations in Finland ensures that the goal is achieved in practice. Key tools in Finland are occupational health and safety and occupational health care action plans implemented by operational management in business operations. In Poland, employees' ability to work is ensured through statutory regular medical examinations.

The Code of Conduct includes a commitment to respecting diversity and treating people with appreciation and respect. Koskisen does not tolerate harassment or bullying in the workplace. The personnel principles contribute to ensuring the implementation of these principles, including the elimination of discrimination and harassment and the promotion of equal opportunities.

The personnel principles state that age, origin, language, disability, belief, gender, sexual orientation, religion or ethnic background, political activities, trade union activities, relationships, family or individual special characteristics and life situations must not give rise to discrimination. Race, gender identity, political opinions, national or social origin have not been separately recorded as grounds for discrimination, but they are reflected in the indirectly recorded principles.

Koskisen has not identified any particularly vulnerable groups and the principles do not include the inclusion and/or positive special treatment of persons in a vulnerable position.

The implementation of the anti-discrimination principles is ensured by the following methods described in the ethical principles: organisation-wide communication, internal training, use of whistleblowing channels and investigation of violations. Koskisen does not yet have specific defined methods for increasing diversity and/or inclusion, but according to the sustainability programme, this will be taken into account in Koskisen's training.

Going forward, all detected and reported cases of discrimination will be handled immediately in accordance with the updated internal guidelines. The guidelines were updated in Finland in 2024 and will be implemented in 2025. In Poland, similar guidelines will be defined during 2025.

Processes for engaging with own workers and workers' representatives about impacts

S1-2

Koskisen's main forms of engaging with its own workforce and its representatives regarding material sustainability topics take place in several ways. These include continuous supervisory activities, standard meeting practices, the personnel survey process, safety observations and initiatives related to occupational safety management, the occupational safety committee, the work community group and employee representation of the Group's own workforce operating in Finland in the Group's extended Executive Board. Workforce perspectives are taken into account through the above processes, in accordance with local legislation.

Formal engagement takes place with employee representatives in both Finland and Poland. The representative of the Group's own workforce is part of the Group's extended Executive Board for the Finnish operations. The Group's occupational safety committee and the work community group meet four times a year in Finland for a joint dialogue, in which all personnel groups are represented. In Poland, representatives elected from among employees participate in the negotiations and represent the personnel in common matters. Polish legislation does not require the establishment of a separate health and safety working group in companies with fewer than 250 employees.

The Group CEO is responsible for communication within the extended Executive Board. The HR Director is responsible for the other communication processes described above.

Koskisen assesses the effectiveness of communication mainly through an annual well-being at work survey that covers the entire Group's personnel. The effectiveness of communication is assessed from different perspectives in the light of its results.

In addition, the functionality of communication is assessed from the perspective of the company-specific collective agreement and its achievement. The conclusion of a company-specific collective agreement is the result of effective communication and the parties' views meeting.

Processes to remedy the negative impacts and channels for own workers to raise concerns

S1-3

Processes to remedy the negative impacts and channels

The areas of prevention and remediation of negative impacts related to safety and health are part of Koskisen's operating system in accordance with the OHSAS 18001/ISO 45001:2018 standard. Koskisen's safety manual covers descriptions of the planning, implementation and assurance of occupational safety.

Assessment of work hazards

The safety manual covers the rescue plan and its sub-instructions, which are location-specific rescue plans, safety organisation, occupational safety, fire protection, chemicals, boilers and pressure vessels, occupational health, data protection, property protection and security, civil defence and crisis protection, as well as information and procedural instructions in the event of disruptions and accidents.

A separate occupational safety and health manual describes Koskisen's general occupational safety and health policies. The manual, together with the measures and documents referred to in it, makes up Koskisen's general occupational safety and health programme. The occupational safety and health manual describes the implementation of corrective actions in accordance with the incident report policy, which ensures that the effectiveness of corrective actions can be monitored in accordance with the requirements of the operating system. Examples of concrete processes include the identification and assessment of work hazards, risk assessment and workplace survey in cooperation with occupational health care, which are used to reduce negative impacts. Personnel representatives participate in the described processes.

Own workforce can raise its concerns or needs either to an employee representative, to an occupational safety delegate chosen by the personnel or directly to the company through the whistleblowing channels. Concerns and needs addressed directly at Koskisen are handled in Finland through the Continuous Development channel, which is maintained by the company and to which the personnel have visibility, as well as the possibility to submit reports to.

In addition, Koskisen has an anonymous whistleblowing reporting channel separate from day-to-day management, which is available through Koskisen's website, for example. The continuous development forum and anonymous whistleblowing channel are set up by Koskisen itself, but the anonymous whistleblowing channel is managed by an external party. The employee representatives and the occupational health and safety organisation have been established by a party separate from the company.

Koskisen's anonymous whistleblowing channel serves as the company's official reporting mechanism. In addition, all of the communication channels described above can be used to report and correct grievances and to promote their correction. The definition of the grievance mechanism began in 2024, it was described in 2024, and it will be implemented in 2025.

Koskisen's process for improving the availability of grievance mechanisms among its own workforce is based on sufficient accessibility through internal and external channels. The whistleblowing channel is clearly available both on Koskisen's intranet site and on the company's website.

Concerns and needs addressed directly at Koskisen are recorded and processed through the Continuous Development Forum for operations in Finland. Case processing is monitored continuously and reported annually to the company's management. Concerns and observations raised through the whistleblowing channel are handled through a separate process on a case-by-case basis. The company's Administrative Secretary and General Counsel are responsible for monitoring the channel and handling cases. If the cases require compliance with whistleblower protection legislation or concern a member of the Executive Board, they are reported directly to the Chair of the Board of Directors and the Audit Committee.

Through clear communication and management, Koskisen aims to promote the highest possible level of awareness and trust in the channels for reporting grievances and concerns. At the beginning of the employment relationship, the information is introduced to the company's own workforce throughout the Group. Koskisen has no practices for assessing awareness of the channels. The company has no specific policies in place to protect employees from retaliation.

Both the Continuous Development Forum and the whistleblowing channel enable anonymous reporting. Koskisen's Code of Conduct includes a commitment to

operating methods to prevent any retaliatory action. The identity of the whistleblower will not be disclosed to the recipient at any time unless the whistleblower knowingly discloses it. Reports of potential violations are handled strictly confidentially and anonymously as far as possible. According to its Code of Conduct, Koskisen does not tolerate harassment or bullying in the workplace.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

Actions to continuously improve occupational safety and prevent harm

Continuous improvement of occupational safety in the short, medium and long term is based on continuous and daily occupational safety activities. The permanent goal is zero accidents. Communication, safety observations, risk surveys and risk prevention through active measures play a key role in the continuous improvement of occupational safety. In addition, each Koskisen employee is encouraged to take safety initiatives, which supports the building of a common safety culture. The key actions focus on prevention, and the corrective actions for individual cases are handled as part of the Group's continuous development in the business units. There are no significant individual actions to report in this respect for 2024.

Koskisen's key actions for implementing accident-free day-to-day life are based on the occupational safety action plans at Group level and in all of the Group's functions (Panel Industry, Sawn Timber Industry and wood procurement). The action plans include short-term actions, responsibilities and goals for the calendar year in all geographical areas.

Key ongoing actions implemented and planned in 2024

Koskisen introduced a regular monthly safety review for supervisors. These reviews analyse incidents and near misses and share good practices. The aim of this cooperation model is to develop a safer working environment.

Internal safety communications were clarified and improved in cooperation with the personnel. In Panel Industry, the company has paid special attention to harmonising and clarifying the guidelines related to the use of protective equipment.

Koskisen uses its own safety reward system. In the system, employees receive a daily bonus of one euro for each week with no lost time accidents.

The safety of access routes was improved at the plywood and chipboard plant by installing lights to clarify the markings of access routes. Attention was also paid to the safety of work equipment.

Occupational safety training was continued for all personnel. Occupational safety card training is renewed every five years to ensure the up-to-date safety competence of the personnel.

Making of safety observations and initiatives was systematically promoted. All employees were encouraged to take safety initiatives and commit to developing the common safety culture.

The expected impact of the measures described above is an improvement in occupational safety, measured using the metrics used by Koskisen. The implementation of the measures improves occupational safety, as they prevent risks and improve occupational safety over all time horizons. The key safety actions described above cover all sites and all employees and salaried employees in production. The actions do not cover other parts of the value chain.

The effectiveness of the measures is monitored regularly through the documentation of safety observations, lost time accidents (LTA1) and near misses. This monitoring data is used in the operations of the occupational safety committee and the units' safety groups, as well as in monthly safety reviews and the continuous monitoring of the implementation of agreed measures.

Implementation of remedies

In accordance with its occupational safety system, Koskisen has a legally high level of preparedness to comply with high levels of first aid preparedness, occupational safety operating models and instructions as well as the resources of the occupational safety organisation in accident situations and in mitigating and correcting their effects.

Koskisen ensures that the personnel have sufficient first aid preparedness as required by the Finnish laws on occupational safety and health care and Polish labour legislation.

In actual occupational accident situations, appropriate treatment is always arranged and the injured person can receive compensation from insurance, but due to privacy protection, Koskisen does not have precise information about financial compensations. All incidents have been handled on a case-by-case basis and the necessary corrective actions have been defined in the business units. The effectiveness of the actions is monitored and evaluated as part of the Group's processes, which include annual management reviews and monthly safety reviews. For additional information about handling incidents of discrimination, see S1-17 Incidents, complaints and severe human rights impacts.

Processes for identifying actions needed to continuously improve occupational safety

Koskisen implements its occupational safety management in accordance with the ISO 45000 management system and by drawing up action plans for occupational safety, occupational health care and early support in cooperation with the personnel. Koskisen has systematic processes for identifying, assessing and managing occupational safety and health risks. This includes identifying hazards in the work environment, assessing risks based on their likelihood and severity, and defining appropriate control measures to reduce or eliminate risks.

Measures to promote the well-being and health of own workforce

Koskisen develops its personnel's well-being at work in a diverse and systematic manner. The company's actions are based on continuous daily supervisory work and well-being programmes for all employees as well as targeted well-being programmes that are implemented at all locations. Continuous activities also include effective occupational safety and health cooperation and a joint occupational safety and health action plan. The development of well-being at work is based on the early support model, preventive measures and strengthening community spirit.

Key ongoing actions implemented and planned in 2024

In addition to the negative impacts, the key measures implemented and planned address Koskisen's strategic goal of being an attractive and fair employer with a positive impact on its own workforce. The well-being at work survey and management support were implemented. The well-being at work survey is one of the most important management tools. The results were thoroughly discussed under the leadership of supervisors in all teams. Supervisors received training on how to decode the results, and they had the opportunity to use facilitators to support them.

Development targets for teams' well-being at work for 2024 were defined. In the development areas, the focus was on clarifying the flow of information, managing common issues, developing competence and giving feedback. At the company level, the development of communications, occupational safety and safety thinking were selected as development targets.

The Koskisen Kohottajat project was implemented as a targeted well-being project, with ten participants. The aim of the project was to find solutions to musculoskeletal disorders and the challenges of shift work. The project included diverse support from occupational physiotherapy to nutritionist counselling and occupational health care and psychologist services.

The implementation of the Koskisen Konkarit programme was continued. Eight people participated in the Koskisen Konkarit programme aimed at employees over the age of 50 during the reporting year. The year-long programme focuses on maintaining work ability and supporting staying in working life.

The development of orientation continued by building online courses at Koskisen School and clarifying the orientation process.

The sense of community was often strengthened by supporting the teams' joint activities with team appropriations and organising a joint barbecue party.

The provision of exercise and well-being benefits was continued. Koskisen supports the overall well-being of its personnel by offering its own gym and swimming opportunities in the Kärkölä swimming pool. In addition, the company supports the coping of employees with the ePassi benefit. In Poland, Koskisen offers its employees diverse benefits through the social benefits fund (ZFŚS), such as holiday allowances, Christmas bonuses and Saint Nicholas' Day gifts for employees' children. In 2024, voluntary health check-ups were offered in Poland to employees over the age of 40 and the Fruit Tuesday concept was introduced to promote healthy eating habits.

Koskisen's measures to promote well-being at work cover all of the company's business areas and functions. Koskisen's actions to promote well-being at work are divided into three time horizons. They emphasise the rapid impact of actions and events as well as long-term prevention and strengthening the foundation of well-being at work.

The measures are aimed at the entire personnel, but some of the measures focus on special groups. Training has been arranged for supervisors on how to handle the results of the well-being at work survey. The Koskisen Kohottajat project is aimed at people suffering from musculoskeletal disorders and shift workers. The needs of ageing employees are addressed with targeted programmes. The measures to promote well-being at work focus on Koskisen's own personnel and do not cover other parts of the value chain.

Koskisen monitors and assesses measures to promote well-being at work in a diverse manner. Monitoring the attendance and turnover metrics supports the monitoring of general well-being at work and early response. The results of the well-being at work survey are used as a management tool and in monitoring the effectiveness of measures. The implementation of the development targets defined by the teams is monitored regularly. The performance of targeted well-being programmes, such as Koskisen Kohottajat and Koskisen Konkarit, will be assessed at the end of the programme. The effectiveness of managing employees' ability to work is monitored in accordance with the early support model and the effects of developing orientation as part of normal management. All of the measures described above improve well-being at work, as they prevent problems related to ability to work, support early intervention and strengthen community spirit and competence.

Identifying and managing negative impacts

Koskisen ensures the safety of its operating practices through systematic monitoring and proactive risk management. The company actively monitors the development of occupational safety legislation and complies with its requirements.

Regular dialogue with key stakeholders, such as occupational health care and employee representatives, is an essential part of ensuring safety. The health and safety of the work environment is systematically assessed by means of workplace surveys carried out every three years.

Chemical risk management is a key part of safety at work. The procurement process for new work and safety equipment involves consulting both the personnel and their representatives as well as occupational health care in order to ensure the suitability and safety of the equipment for its intended use.

Resources allocated to the management of negative impacts

The resources related to the continuous improvement of occupational safety and well-being at work consist of the responsibilities of management and supervisors and work in accordance with the ISO 45001 management system. The safety managers working at Koskisen's sites are a resource dedicated to the management of occupational safety. It is not possible to report the current or future exact operating or capital expenditure of key activities, as the activities are part of the day-to-day operational activities of the Group and the business functions as well as the duties of Koskisen's supervisors and employees.

The company has set new strategic goals during 2024 and achieving them will be monitored in the coming years.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

The targets presented in the table below correspond to the targets of the personnel principles, which take into account material sustainability aspects. These targets are presented in section S1-1. The targets apply to Koskisen's own personnel at all of its locations. The current status and development of these issues in the Group have been taken into account in setting the targets. The development of occupational accidents is also monitored in relation to other companies in the industry, but otherwise it has not been taken into account in the target setting. The targets do not, as such, directly correspond to material impacts, risks or opportunities, but are part of the overall monitoring and management of entities related to the identified themes. Stakeholders have not been consulted separately when setting the targets. The targets do not require significant changes in the company's operations or the measurement of goals, but are part of daily operations.

S1 Sustainability topics related to own workforce	Target 2027 Covers the entire Koskisen Group	Base year 2022	2024	Aspects related to targets
Reduction of accidents	Accident frequency rate LTA1 < 5	19.40	9.70	The target is based on the operating policy and personnel principles, described in section S1-1
Well-being and health of employees	Overall score in the well-being at work survey > 4	3.85	3.81	The target is based on the operating policy and personnel principles, described in section S1-1
Well-being and health of employees	Well-being at work survey response rate > 90%	76%	78%	The target is based on the operating policy and personnel principles, described in section S1-1
Developing the competence of personnel	Training hours/person > 18	11.48	8.15	The target is based on the operating policy and personnel principles, described in section S1-1
Equal and non-discriminating work community	Diversity, equity and inclusion awareness development through internal training 100% of the workforce	New target for 2024	New target from 2024	The target is based on the operating policy and personnel principles, described in section S1-1

The targets related to the company's own workforce have been set in the sustainability programme based on the insights obtained from the double materiality assessment. The company's Executive Board and a selected group of representatives from different functions were responsible for setting the targets. Employees or their representatives were not separately engaged in setting the targets.

The implementation of actions and targets is monitored four times a year in the work community group and the extended Executive Board, both of which have employee representation. Occupational safety is also monitored monthly in the Group's safety reviews. Continuous monitoring of implementation includes monitoring progress, identifying and documenting any deviations and making any necessary changes to implementation.

Characteristics of the company's employees

S1-6

Koskisen's HR department is responsible for the collection, maintenance and reporting of personnel data. The personnel system is used for the administration of personnel data, and it is where the data is stored. Reporting includes information about employees in employment relationships with the Group.

Number of employees by gender

Gender	Number of employees (head count)
Men	669
Women	274
Other	-
Not reported	-
Total number of employees	**943**

Rate of employee turnover	2024
Terminated employment relationships	66
Exit turnover	7.0%

Number of employees (head count)

Country	Number of employees (head count)
Finland	796
Poland	131

Employees by contract type, broken down by gender 2024

	Men	Women	Other	Not reported	Total number of employees
Number of employees in employment (head count / FTE)	669	274	-	-	943
Number of permanent employees (head count / FTE)	620	243	-	-	863
Number of temporary employees (head count / FTE)	49	31	-	-	80
Number of non-guaranteed hours employees (head count / FTE)	19	12	-	-	31
Number of full-time employees (head count / FTE)	650	262	-	-	912
Number of part-time employees (head count / FTE)	6	4	-	-	10

Number of employees by contract type, broken down by country 2024

	Finland	Poland	Other	Number of employees (head count / FTE)
Number of employees in employment (head count / FTE)	796	131	16	943
Number of permanent employees (head count / FTE)	783	64	16	863
Number of temporary employees (head count / FTE)	13	67	-	80
Number of non-guaranteed hours employees (head count / FTE)	31	-	-	31
Number of full-time employees (head count / FTE)	765	131	16	912
Number of part-time employees (head count / FTE)	10	-	-	10

Employee data has been collected from the company's HR and payroll systems. The number of employees is expressed as the head count on the last day of the reporting period. In the sustainability statement, the number of employees is the personnel situation on 31 December 2024, and in the financial statements, the number of employees is the average for the full year, i.e. the 12-month average. The full-time equivalent is not calculated separately, as the majority of employment relationships are full-time. The compilation of data does not involve any assumptions; the data is compiled directly from the system data.

The reported year-end personnel figures do not include the 47 summer employees who worked at Koskisen during the summer 2024.

Information on the number of employees can be found in Note 6 to Koskisen's consolidated financial statements.

Collective bargaining coverage and social dialogue

S1-8

Collective bargaining coverage and social dialogue Information on the personnel's inclusion in collective agreements can be found in Koskisen's personnel system based on the job description, and the disclosed information does not include assumptions or limitations. The number of employees can be found in table S1-6 Number of employees by contract type, broken down by country 2024.

	Collective bargaining coverage		Social dialogue
Coverage rate:	**Employees – EEA (for countries with more than 50 employees representing more than 10% of total employees)**	**Employees – non-EEA (estimate of regions with more than 50 employees representing more than 10% of total employees)**	**Workplace representation (EEA only) (countries with more than 50 employees representing more than 10% of total employees)**
0–19%	Poland		
20–39%			
40–59%			
60–79%			
80–100%	Finland		Finland, Poland

In Finland, Koskisen's production employees, salaried employees and forestry salaried employees are covered by company-specific collective agreements, one of which is for production employees and salaried employees and the other for forestry salaried employees. Senior salaried employees and management are subject to terms of employment agreed in the company.

There are no similar universally binding collective agreements or company-specific solutions based on them in the Polish labour market. Koskisen complies with the general labour legislation in Poland, in addition to which company-specific policies concerning work and remuneration are applied to all employees with regard to work, employment relationship, working conditions and salary.

Koskisen has no agreements with employees on representation that would be handled by a European Works Council, European Company (SE) Works Council or European Cooperative Society (SCE) Works Council.

Diversity metrics

S1-9

Information on personnel diversity is obtained from Koskisen's personnel system, and the disclosures do not involve assumptions or limitations.

Gender distribution at top management 2024

	Head count	%
Top management, women	3	18%
Top management, men	14	82%
Top management, others	-	-%
Top management, not reported	-	-%
Top management, total	17	100%

Age distribution among employees 2024

	Head count	%
Under 30 years old	155	16%
30–50 years old	490	52%
Over the age of 50	298	32%
Head count by age	943	100%

Koskisen Corporation's top management consists of the Board of Directors and the CEO with the support of the Executive Board.

Adequate wages

S1-10

All Koskisen employees are paid adequate wages in accordance with the applicable benchmarks.

Social protection

S1-11

All Koskisen employees are covered by social protection through public programmes or benefits provided by the company in the event of loss of income due to illness, unemployment, work-related injury or disability, parental leave or retirement.

Training and skills development metrics

S1-13

Information on employee performance reviews and training hours is obtained from Koskisen's personnel system. Performance reviews are recorded by supervisors on the basis of the reviews. The information disclosed regarding training hours is based on supervisors' notifications. Both types of information may involve uncertainty regarding the flow of information, and not everything is necessarily recorded.

Percentage of performance review participants 2024

	Head count	% of total head count
Performance review participants, women	177	19%
Performance review participants, men	393	42%
Performance review participants, other	-	-%
Performance review participants, not reported	-	-%
Performance review participants, total	570	60%

Number of training hours per employee

	2024
Number of training hours per employee, women	10
Number of training hours per employee, men	7
Number of training hours per employee, other	-
Number of training hours per employee, not reported	-
Number of training hours per employee, all	8
Number of training days	1,199

Health and safety metrics

S1-14

Health and safety metrics

Health and safety data are compiled from Koskisen's personnel system and the Continuous Development system, where information on occupational accidents and their processing is recorded. The data are collected for all personnel. The transitional rule is applied to non-employees. The response rate and result (eNPS) of the personnel satisfaction survey and the number and frequency of occupational accidents (LTA1) are the Group's own metrics related to sustainability targets, which are presented in section S1-5. Occupational accidents (LTA 1) are defined as accidents that result in at least one day long absence. The Lost Time Accident Frequency (LTAF1) is reported per one million hours worked. The number of occupational accidents (TRI) includes accidents that result in a medical check-up. Thus, the figures do not include accidents in which health care was not involved. The personnel satisfaction survey covers all personnel, but there may be uncertainties related to the responses due to the survey language, which is English, and not the workers' native languages.

	2024
Percentage of Koskisen's own workforce covered by the occupational health and safety management system	99%
Number of fatalities as a result of work-related injuries and work-related ill health, own employees	-
Number of fatalities as a result of work-related injuries and work-related ill health, other employees working on the company's sites	-
Number of recorded occupational accidents (LTI), own employees	28
Share of recorded occupational accidents (LTIF) related to own workforce	20.8
Number of cases of work-related ill health, employees	-
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health, employees	91

Group's metrics	
Number of lost time accidents (LTA1)	13
Frequency of lost time accidents (LTAF1)	9.7
Personnel satisfaction survey response rate	78%
Personnel satisfaction survey eNPS	4

The occupational health and safety management system covering Koskisen operations in Finland complies with the ISO 45001 standard and has been audited by the external verifier Kiwa Inspecta.

Work-life balance metrics

S1-15

The data concerning work-life balance metrics are obtained from Koskisen's personnel system, and the disclosures do not involve assumptions or restrictions.

All Koskisen's employees are entitled to family leave under social policy and/or collective agreements.

Percentage of employees that took family-related leave by gender

	%
Percentage of employees that took family leave, women	1.4%
Percentage of employees that took family leave, men	1.8%
Percentage of employees that took family leave, other	-%
Percentage of employees that took family leave, not reported	-%
Percentage of employees that took family leave	3.2%

Incidents, complaints and severe human rights impacts

S1-17

Disclosed incidents are obtained either through the company's whistleblowing channels or on the basis of reports made to supervisors. Incidents, including reports from external parties, are recorded in the Continuous Development system, where case processing is maintained. The recorded incidents are based on reports and possible external audits and do not involve any significant background assumptions or restrictions.

Incidents, complaints and severe human rights impacts

	2024
Number of incidents of discrimination	2
Number of incidents of harassment (included in incidents of discrimination)	-
Number of non-harassment incidents (included in incidents of discrimination)	2
Number of complaints reported through personnel channels	10
Number of complaints reported to the National Contact Points for OECD Multinational Enterprises	-
Fines and compensation for damages for incidents of discrimination and complaints	-
Number of severe human rights incidents	-
Number of serious human rights incidents that are cases of non-respect of the UN Guiding Principles on Business and Human Rights or ILO Declaration on Fundamental Principles and Rights at Work	-
Fines, penalties and compensation for damages for serious human rights incidents	-

Of the two recorded cases of discrimination, one was reported to a supervisor and has been appropriately addressed among the relevant parties within the Panel Industry. Follow-up meetings related to the case will continue in 2025. The second case was recorded as a minor non-conformity during an external FSC audit in the Sawmill Industry. The matter is being investigated internally during 2025 and will be reviewed again in the 2025 FSC audit. No fines have been recorded for the incidents and, therefore, no information is presented in the financial statements.

KOSKISEN

Tehdastie 2
16600 Järvelä

www.koskisen.com