

SUSTAINABILITY POLICY

1 INTRODUCTION

A. Ahlström believes that sustainability is a prerequisite for creating long-term value. A. Ahlström is committed to promoting responsible business practices in our portfolio companies and to conducting sustainable asset management of our real estate and forest investments. The values of the Ahlström family – ambition and responsibility – guide all A. Ahlström’s operations. As a responsible investor, A. Ahlström continuously improves its environmental, social and governance (ESG) impact and performance in its own operations and in its investments. As an owner, A. Ahlström can contribute the most to a sustainable ecology and development of society through the capital it provides, the engaged ownership role it takes and through the employment, innovations, products, and services that its portfolio companies provide.

2 PURPOSE AND SCOPE

The purpose of this policy is to define A. Ahlström’s framework for sustainability. It describes the roles and responsibilities for fulfilling A. Ahlström’s objectives as a responsible owner and company and is supplemented by A. Ahlström’s Code of Conduct and other policies. This policy applies to majority owned A. Ahlström Group companies. This policy also describes the ambition A. Ahlström has as an owner in its minority owned companies.

3 GOVERNANCE

This policy is approved by the Board of Directors and the KPI’s reviewed by the Board’s Audit Committee. Within the management the Head of Corporate Communication & Responsibility is responsible for coordinating and driving the overall sustainability work.

4 SUSTAINABILITY AS AN OWNER

A. Ahlström integrates sustainability in its role as an owner and a company by taking a broad business approach and by targeting three focus areas:

- Business Ethics & Nordic Governance model
- Climate, Resource Efficiency & Biodiversity
- Employee well-being & Diversity and Inclusion

As an owner, A. Ahlström foremost influences through board representation. Sustainability is integrated in the value creation plans developed for each portfolio company. Sustainability needs to be integrated in all portfolio companies' business strategies and ESG impact considered in product innovation. A. Ahlström's material ESG topics have been identified and are incorporated in the screening processes and business development work of our portfolio companies. In addition to the ESG topics followed by A. Ahlström, the portfolio companies have their own industry specific ESG topics, and A. Ahlström expects the Board of Directors in the portfolio companies to decide on relevant targets for each company.

4.1 BUSINESS ETHICS & GOVERNANCE

Business ethics and governance constitute the foundation for A. Ahlström's ownership model with clear roles and responsibilities. A. Ahlström supports universally recognized human rights and assumes long-term accountability for ethical standards. A. Ahlström strives to comply with laws, rules, and ethical principles. A. Ahlström's Sustainability guidelines define the expectations applicable to A. Ahlström and all its portfolio companies to conduct their operations in a responsible manner. A. Ahlström and its portfolio companies need to ensure that sustainability is integrated into the business. However, each portfolio company is ultimately responsible for their operations and the way they are conducted.

A. Ahlström's Sustainability guidelines:

- 1) Comply with local and national legislation in each country of operation
- 2) Be committed to the UN Global Compact and its ten principles, commit to UN Sustainable Development Goals, support the ILO conventions, as well as Universal Declaration of Human Rights
- 3) Have implemented Code of Conduct and other policies that address relevant sustainability areas
- 4) Have a secure reporting channel for whistleblowing in place
- 5) Assess material sustainability topics and have an active dialogue with stakeholders
- 6) Analyse ESG risks and opportunities and formulate relevant measurable targets
- 7) Continuously improve ESG impact with a special focus on climate, employee well-being and business ethics
- 8) Have adequate processes and resources to manage and monitor sustainability performance
- 9) Transparently report on the sustainability development

A. Ahlström has defined Key Performance Indicators (KPIs) to follow up the governance impact of the portfolio companies. These indicators are ESG management maturity, Code of Conduct trainings (both new employee and existing employees), Supplier Code of Conduct coverage rate (both new suppliers and existing suppliers) and an established whistleblowing channel. In addition to these KPIs, we expect the portfolio companies to have their own KPIs to measure their impact such as number of and ratings in customer audits, supplier audits and processes for sanctions monitoring.

4.2 CLIMATE, RESOURCE EFFICIENCY & BIODIVERSITY

As an investor, A. Ahlström acknowledges its role to accelerate the transition to a sustainable low-carbon economy. A. Ahlström believes that increasing resource efficiency and investing in new technologies are key for its portfolio companies to

stay as leading companies. The built environment and the total amount of carbon stored in tree trunks have a significant role in decreasing our carbon footprint. As a forest owner and real estate developer, biodiversity is in focus when managing our assets. A. Ahlström also integrates climate and resource efficiency considerations in its investment process and strives to reduce its indirect negative environmental impact linked to the portfolio companies and increases their positive impact.

A. Ahlström encourages all portfolio companies to align with the Paris Agreement's aim of limiting global temperature rise to 1.5 degrees above pre-industrial level and when relevant, to commit to Science Based Targets.

A. Ahlström has defined KPIs to follow up the Environmental impact of the portfolio companies. These indicators are energy intensity, share of renewable energy and CO2 emissions (both direct and indirect). In addition to these KPIs, we expect the portfolio companies to have their own KPIs to measure their impact such as carbon sink, water consumption and recycling of waste. We also encourage our companies to measure the ESG impact of their new product innovations.

4.3 EMPLOYEE WELL-BEING & DIVERSITY AND INCLUSION

A. Ahlström aims to provide a best-in-class working environment for its employees. A. Ahlström emphasizes good leadership and strives to create an environment with focus on health and safety as well as on the personal development of the employees. A. Ahlström requests that all employees in the portfolio companies are treated equally, fairly and with respect regardless of ethnicity, nationality, gender, sexual orientation, faith, religion, age or other characteristics protected by law. A. Ahlström respects the rights of all employees to form and join trade unions and to bargain collectively. The well-being of the employee is the key to new innovations and successful business and therefore also for developing leading businesses.

A. Ahlström believes that building long-term successful companies requires people with different backgrounds, experiences, and perspectives. Diverse teams characterized by inclusion stimulate innovation, drive decision-making, and attract top talent. A. Ahlström encourages and expect the portfolio companies to invest in competence development, promote diversity and inclusion, and to ensure non-discrimination as well as a safe and healthy work environment. A. Ahlström has defined KPIs to follow up the social impact of the portfolio companies.

These indicators are employee satisfaction, employee turnover and accident frequency rate. In addition to these KPIs, we expect the portfolio companies to have their own KPIs to measure their impact such as safety observations and audits and gender balance in the Board and management.

5 STAKEHOLDER ENGAGEMENT

A. Ahlström strives to address sustainability issues that are relevant for the company as an engaged owner and where it can make the most impact. A. Ahlström's most significant sustainability objectives are identified and prioritised, and the objectives need to be updated via engagements and dialogues with different stakeholders. A. Ahlström shall act responsibly and in a transparent way in its contacts with stakeholders.

6 CONTROL AND REPORTING

A. Ahlström shall be transparent in its efforts to support long-term sustainable development. Objectives and KPIs are presented to the Board of Directors on a regular basis. A. Ahlström shall report publicly on the sustainability development in the Communication on Progress report to the UN Global Compact and in the Annual Report. Through A. Ahlström's whistleblowing system, employees can report suspected violations of law or other breaches of internal policies and guidelines. A. Ahlström expects also the portfolio companies to be transparent in their long-term sustainable development and report on their progress publicly.