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## Sustainability Policy

The purpose of this Sustainability Policy is to outline Kuusakoski Recycling Group's commitment to sustainable development, corporate responsibility and guiding our practices in economic, environmental, social and governance (ESG) aspects, and related activities.

Kuusakoski's vision is to be the preferred partner for our customers through excellence in recycling and sustainability. As a leading recycling company, we are committed to embedding sustainability into every aspect of our business. Kuusakoski recognise that while our recycling operations have a significant positive impact on the environment and society, we need to strive further to maximise positive and minimise negative impacts over the whole lifecycle of materials. Our sustainability policy reflects our dedication to reducing our environmental footprint, fostering social responsibility, and driving economic progress in alignment with the principles of circular economy.

### Coverage

This policy applies to all employees, contractors, and stakeholders associated with Kuusakoski Recycling Group across all locations and operations. It guides our decisions, actions, and interactions with customers, suppliers, and the communities we serve. It covers all aspects of Kuusakoski's business, takes the impact to the society into account, and sets a framework to implement Kuusakoski Recycling Group values and ethical principles in decisions and operations. This document also outlines our operating policy in accordance with international ISO standards.

### Main Principles

**Sustainability Integration:** Sustainability is integrated into all aspects of our operations, from materials sourcing and production to sales, over the whole value chain. Sustainability has a central role in Kuusakoski's vision, strategies, planning and decision making.

**Holistic Balance:** We strive to maintain a balance among economic, environmental, and social dimensions, ensuring our business activities create value for the company, society, and the environment.

**Partner Expectations:** Our business partners, including subcontractors, customers, suppliers, and other stakeholders, are expected to adhere to similar sustainability standards.

**Engagement and Dialogue:** We are committed to continuous, systematic, and open dialogue with key stakeholders, aiming to align our goals and practices for mutual benefit.

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## Sustainability Commitments

### Environmental Stewardship

**Circular Economy:** We actively promote and implement circular economy principles by maximising material recovery, minimising waste, and encouraging the reuse and recycling of resources.

**Carbon Footprint Reduction:** We are committed to achieving net-zero carbon emissions of our operations by 2035 and the whole value chain by 2045.

**Resource Efficiency:** We aim to minimise resource consumption, including water, energy, and raw materials, by adopting innovative technologies and best practices in recycling and waste management.

**Biodiversity:** We will implement measures to prevent loss of nature, pollution and reduce harmful emissions. Our sustainability strategy contains individual plans for water, biodiversity protection and energy efficiency improvement with targets and reporting.

### Social Responsibility

**Employee Well-being:** We prioritise the health, safety, and well-being of our employees by maintaining a safe work environment, providing necessary training, and promoting a culture of respect and inclusion.

**Community Engagement:** We engage with local communities to understand their needs and concerns, contributing to social initiatives that enhance local environmental and economic conditions.

**Human Rights:** We respect and uphold human rights across our operations, ensuring fair labour practices, equal opportunities, and non-discrimination in our workforce. Kuusakoski's commitment to respect human rights is aligned with the UN Guiding Principles on Business and Human Rights. Kuusakoski respects internationally recognised human rights set forth in the International Bill of Human Rights and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work.

Human rights and dignity commitment means that: Freedom of association prevails in Kuusakoski. All forms of discrimination are unacceptable. Everyone should be treated equally and fairly, irrespective of such characteristics as ethnic origin, nationality, religion, political views, gender, sexual orientation, disability or age. Kuusakoski condemns the use of child labour. Kuusakoski expects its business partners to follow similar standards. Kuusakoski conducts human rights due diligence by identifying, preventing, mitigating, and accounting for potential and

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actual adverse human rights impacts that Kuusakoski's operations may cause, contribute, or be linked to.

**Training and Awareness:** We provide regular training and awareness programs to our employees and partners to ensure understanding and commitment to our sustainability objectives and the reporting requirements.

We are committed to employee development through continuous learning, supporting minorities, knowledge sharing, and providing clear guidance for daily operations.

## Economic responsibility

**Corporate citizenship:** We strictly adhere to legal and the Group's ethical standards, and actively oppose corruption and bribery. We commit to act in full transparency and condemn any illegal actions to gain an advantage. Kuusakoski positively impacts communities globally through taxation.

**Sustainable Growth:** We strive for sustainable economic growth by investing in innovation, enhancing operational efficiency, and fostering long-term partnerships with stakeholders.

Kuusakoski prioritises profitability, asset protection and value creation for shareholders, regularly assessing and mitigating risks, with significant findings reported to the Board of Directors and disclosed in the annual report.

**Responsible Sourcing:** We work closely with our suppliers to ensure that they are aligned with our policy and Code of Conduct, including systematic surveys and audits. The company is dedicated to sustainable profitability and economic value enhancement through a sustainable supply chain, competitive operations, and high-quality and safe products and services that meet customer expectations. This commitment is supported by our team's expertise, efficiency, and customer focus.

Our organisation is committed to the Conflict Minerals Act guidelines established by the Organisation for Economic Co-operation and Development (OECD) aimed at ensuring responsible sourcing of minerals and actively ensuring that our supply chain is free from conflict minerals.

We engage in long-term collaboration and open dialogue with our customers, partners and other stakeholders, developing our products and services to ensure transparency and accountability, the continuity of operations, customer satisfaction, environmental sustainability, and safety.

Sustainable daily operations form the foundation of our business. This means we comply with all applicable laws and regulations in all territories, take care of the environment and our employees. We are open, dependable and ethical.

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**Business Conduct and Ethics:**

**Transparency and Accountability:** We maintain transparent communication with our stakeholders, regularly reporting on our sustainability performance and progress towards our goals. Kuusakoski maintains transparency in governance and ethical conduct, guided by our values, ethical principles and Code of Conduct.

We expect our business partners, subcontractors, and suppliers to follow similar standards. If indicated, we support business partners to improve expected compliance. Non-compliance is not acceptable and might lead to the discontinuation of business relations.

We rigorously ensure our operations and supply chains are free from modern slavery and human trafficking.

**Community Engagement:**

We contribute to community welfare via taxes, employment, and other positive involvements, maintaining open dialogue on sustainability efforts and meeting stakeholder expectations.

The company provides key business and legislative development insights to decision-makers and actively participates in industry and trade organisations, aligning with our policies.

Support is extended to charitable causes and events, in accordance with our Sponsorship Policy, and to research and education, while abstaining from political support.

**Sustainable products and services**

Our business creates value for the company, society, and the environment, and we strive to continuously improve our performance, products, and operations. We share knowledge of best practices, technologies and product stewardship throughout the company.

As a sustainable provider of recycling services and recycled raw materials with an international track record, Kuusakoski is committed to a sustainable supply chain and production. In addition, we are committed to provide reliable and verifiable sustainability information on our product lifecycle impacts, such as carbon footprints and recycling rates.

All our products are recycled raw materials made from recyclable materials, and the services we provide are all connected to the reuse, recycling, processing and safe disposal of these materials. The raw materials we supply enable our customers to achieve significant emissions reductions and a more sustainable life cycle for their

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products. Everything we develop, process, manufacture and deliver contributes to a more sustainable tomorrow.

## Governance and reporting

**Sustainability Strategy:** Our sustainability strategy, guided by this policy, is integrated into our business strategy, planning and operations. We set specific, measurable targets to track our progress.

Group risk management process and financial risk management policy includes ESG and Sustainability risks.

Kuusakoski is a signatory member in the UN Global Compact and publicly discloses its contribution to the UN sustainable development goals 2030. Sustainability actions and their impact will be transparently reported and reporting is aligned with European Union Corporate Sustainability Reporting Directive (CSRD) and Global Reporting Initiative (GRI). Kuusakoski is partnered with supplier sustainability platform EcoVadis to openly share sustainability rating information of our supply chain.

In addition, Kuusakoski is using precautionary risk-based management systems, that are certified according to ISO standards in Environment (ISO 14001), Health and Safety (ISO 45001) Quality (ISO 9001) and Information Security Management (ISO 27001).

## Implementation and compliance

To ensure full compliance with Kuusakoski's corporate principles, related policies, and commitments throughout the Group, the following actions take place:

Board of Directors approve and review Group Sustainability Policy. It charges the CEO with formulating actions and implementing this Policy and Code of Conduct.

Each Business Area and Group Function is responsible for their operational compliance with the public and internal policies and instructions. This includes risk and issue identification and producing data for open, continuous, and systematic reporting.

Kuusakoski management and employees are required to comply with the requirements of the Code of Conduct and this Policy, and with the laws and regulations of the countries where the Group or its business partners operate. The Code of Conduct as well as compliance topics and sustainability are implemented by regular, obligatory e-learnings and are included in onboarding procedures.

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Kuusakoski maintains a confidential international contact channel, Whistleblowing channel, through which employees and third parties can report suspected misconduct of all kinds confidentially and anonymously. Kuusakoski is committed to a strict non-retaliation policy and do not tolerate retaliation against anyone who has reported a potential violation in good faith. Reported alleged breaches will be assessed in an objective and professional manner. Kuusakoski Board of Directors shall regularly but at least annually receive a report on all investigations. The number of misconduct cases is reported in sustainability report.

The Board of Directors monitors Kuusakoski's sustainability performance through relevant key indicators at least once a year. Material sustainability topics and performance is reported in the annual report, based on the Global Reporting Initiative (GRI) guidelines and according to EU CSRD binding requirements, including external verification. Sustainability issues are included in the portfolio of the CEO, and led by the Chief Sustainability Officer, actions are coordinated by Group sustainability network.

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Document approver: Chief Executive Officer – Mikko Kuusilehto

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