VSME SUSTAINABILITY REPORT 2024/2025

Tomorrow is renewable

VERSOWOOD

VSME SUSTAINABILITY REPORT 2024/2025

This report is largely structured in accordance with the basic and broader modules of the EU's Voluntary Reporting Standard for SMEs (VSME).

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GREETINGS FROM THE CEO

Valuing wood, wholeheartedly

In recent years, the world has been in constant turmoil: geopolitical tensions, economic uncertainty and rapidly changing regulations are challenging companies to make better and faster decisions.

Despite all the uncertainty, we believe that sustainable operations will continue to be at the core of competitiveness in the future. In our view, responsible business with smart resource management is not only right but also profitable: it offers savings, reduces risks and opens up new growth opportunities.

At Versowood, sustainability is not a separate project, it's an operating principle. We take care of sustainability starting from the forest and handle wood sales and harvesting to the level required by legislation and certifications, at a minimum. At our plants, we continuously invest in more energy-efficient solutions and process optimisation, reducing our environmental footprint while improving production performance. In terms of social responsibility, our key success is related to occupational safety: in roughly ten years, we have built a strong, preventive safety culture and significantly reduced the accident frequency.

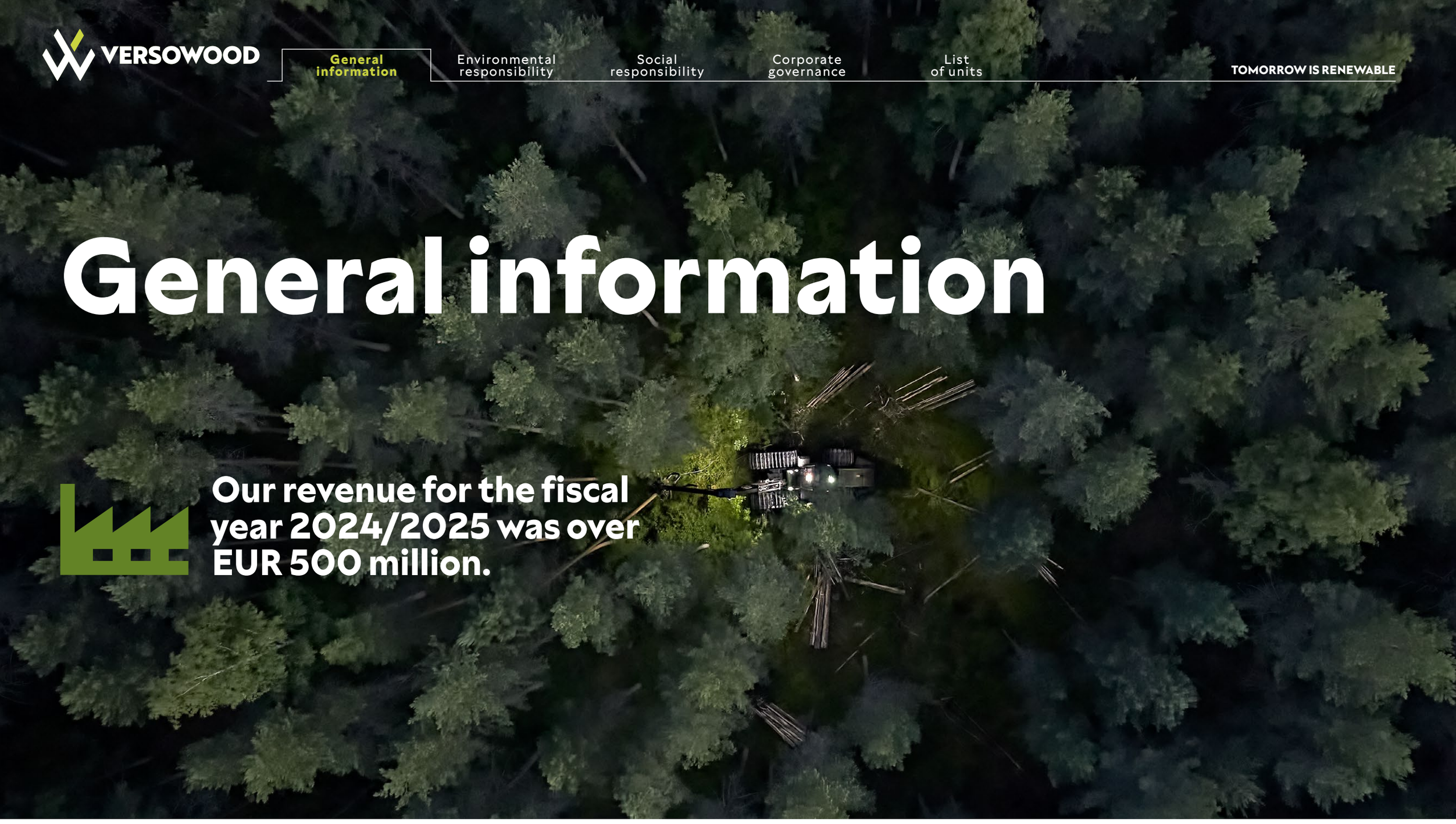
The report shows our commitment to continuous development and concrete actions.

Our most important raw material – Finnish wood – is a renewable natural resource that, as it grows, binds carbon and stores it throughout the life cycle of the products made from it. This way, our wood products act as long-term carbon stores and offer a concrete opportunity to reduce society's total emissions and promote the transition to fossil-free construction and industry. Our job is to ensure that wood is used as wisely and with as much value as possible – serving the environment, customers and society. Versowood utilises wood to its maximum extent, and nothing goes to waste.

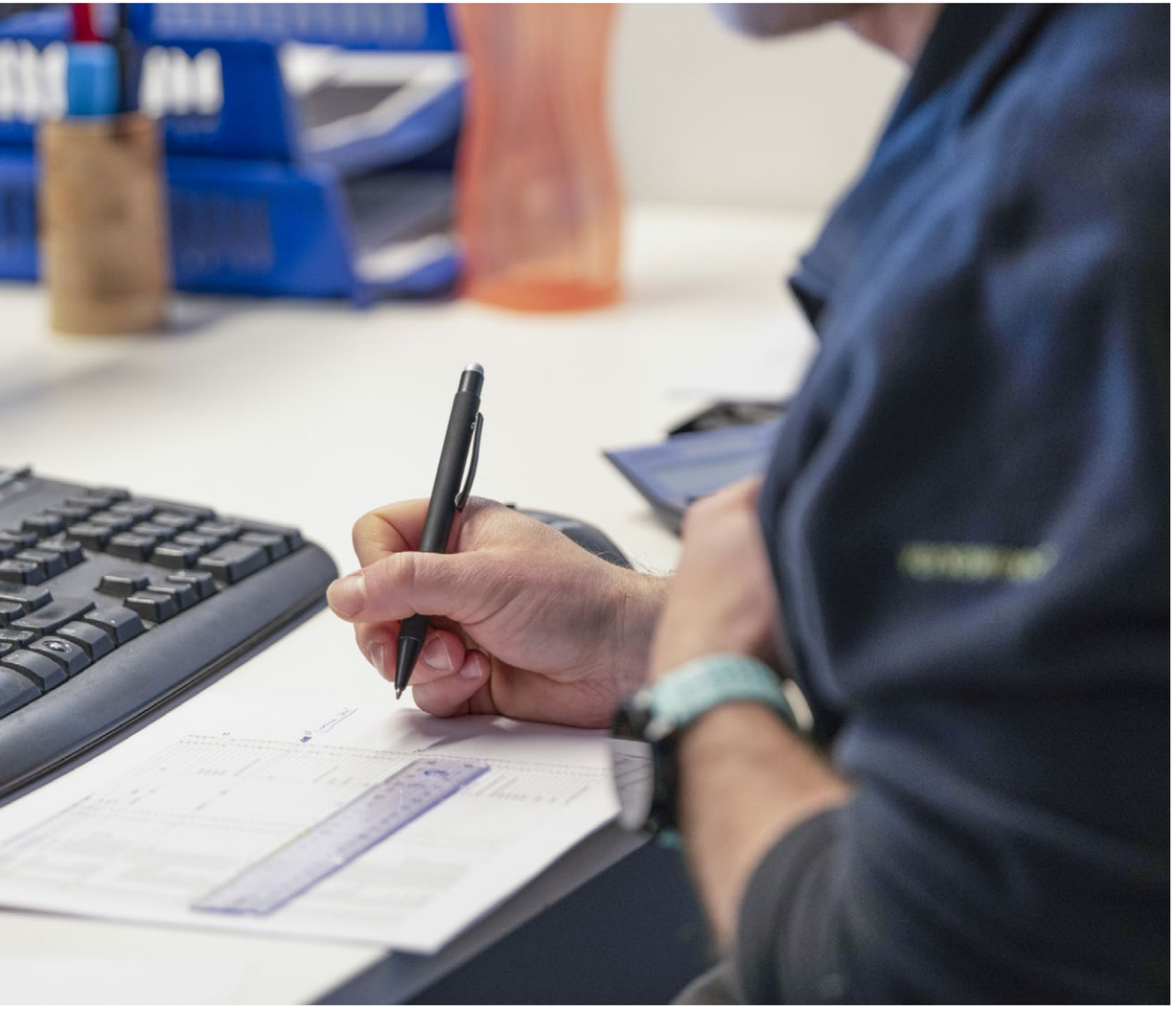
We published our first sustainability report in 2023. This new VSME sustainability report takes the work forward and opens up more transparently how we have developed our operations from the perspectives of the environment, people and responsible governance during the 2024–2025 fiscal year. The report shows our commitment to continuous development and concrete actions. Going forward, we want our sustainability work to be even more open and goal-oriented. As proof of this, we have updated our sustainability programme and targets for 2030.

Ville Kopra
CEO, Versowood

General information



Our revenue for the fiscal year 2024/2025 was over EUR 500 million.



Basis for preparation of the report

This report is largely structured in accordance with the basic and broader modules of the EU's Voluntary Reporting Standard for SMEs (VSME).

In the coming years, we will develop our sustainability reporting towards the requirements of the Corporate Sustainability Reporting Directive (CSRD), according to which we must report for the fiscal year 2027/2028, based on current legislation and as our organisation grows.

Versowood's sustainability report is based on the double materiality assessment carried out in spring 2025, the results of which partly determine the themes discussed in the report. Contrary to the requirements of the VSME standard, we do not report on matters in accordance with section B6 (Water), as this is not a material sustainability issue for Versowood's company according to the double materiality assessment. However, we do report on sustainability issues that have become material to Versowood, Workers in the value chain (ESRS S2) and Affected communities (ESRS S3), and our related operating principles and practices.

This sustainability report covers the period from 1 July 2024 to 30 June 2025, which is also our company's fiscal year. In future, we will publish a sustainability report for each fiscal year. If some of the information pertains to a calendar year, this is stated separately in the report information.

This sustainability report applies to the Versowood Group as a whole. All numerical information in the report is based on data and calculations obtained through Versowood's internal systems or external partners. In accordance with the disclosure requirement of Section 19 of the VSME standard, no information has been omitted from reporting due to its sensitive nature. This sustainability report and its information have not been verified by a third party.

Versowood in a nutshell

Versowood is the largest family-owned mechanical wood-processing company in Finland. In the 2024/2025 fiscal year, Versowood's operations included 15 production units, with 14 in Finland and one in Estonia, as well as sales offices in France, Germany and Spain. In autumn 2025, Versowood's number of production units increased to 16 when we acquired UPM's Korkeakoski sawmill.

OUR COMPANY

- Founded: 1946
- Legal form: Limited company (Ltd/Oy)
- Industry classification (NACE):
  C: 16.1 Sawmilling and planing of wood
  C: 16.2: Manufacture of products of wood, cork, straw and plaiting materials
  D: 35.3 Steam and air conditioning supply
- Country of registration: Finland

KEY FIGURES 07/2024–06/2025

Turnover:

564 MEUR

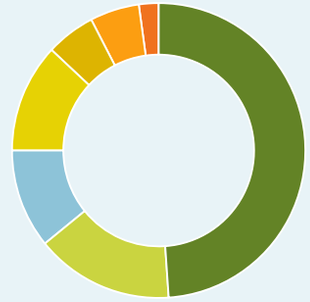
Balance sheet total

383 MEUR

Personnel:

914 employees

TURNOVER BY BUSINESS AREA



2024/2025

- Sawn timber 45%
- By-products (incl. fibre) 14%
- Wood packaging 10%
- Glulam 11%
- Energy business (pellets) 5%
- Further processed goods 5%
- Infra 2%

VERSOWOOD'S MAIN MARKET AREAS 2024/2025

Versowood's business model

Versowood is a privately owned group focusing in mechanical wood processing. The Group includes the parent company Versowood Group Oy, its subsidiaries Versowood Oy (Finland), Versowood France Sarl (France), Versowood Deutschland GmbH (Germany), Versowood Iberica SL (Spain) and Versowood Estonia OÜ (Estonia), over which it holds a 100% ownership, as well as the associated companies Hartolan Kuningaslämpö Oy (50%) and Finntrepo Oy (30%).

Our most important customers are the construction industry, the furniture industry, consumer customers and forestry companies.

We source all the raw wood we use, our most important raw material, from Southern and Central Finland. Our main products are sawn timber and processed sawn timber, glulam, infrastructure products, wood packaging and energy products.

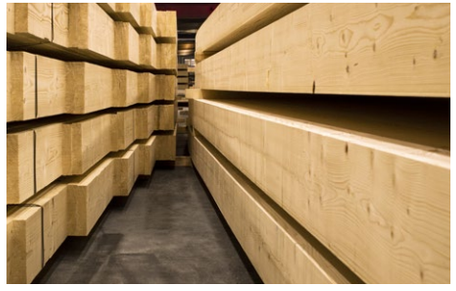
We source all the raw wood we use, our most important raw material, from Southern and Central Finland.

OUR BUSINESS AREAS:

Sawn timber business

Production nearly 2.0 million m^3 of sawn timber per year

- Seven sawmill lines in six locations.



Glulam business

Production 140,000 m^3 of glulam per year

- Three factories in Vierumäki, Heinola and Hartola

Wood packaging business

More than 5 million pallets, cable drums and wooden and plywood boxes per year.

- In seven cities in Finland and Estonia.
- The packaging business utilises lower-grade sawn timber, which allows for the logs to be used to their full extent.

Infrastructure

150,000 impregnated telephone poles, electrical poles and wooden bridges.

Energy and by-product business

150,000 tonnes of pellets, small heating plants, district heating for areas near the sawmills and wood chips and sawmill by-products for energy plants.

The basic idea is to utilise the by-products of operations in our own wood processing operations or as thermal energy.

Strategy 2023–2026

CREATING THE FUTURE OF FINNISH WOOD

VISIO

We release the full potential of wood as a building block of a sustainable future.

MEGATRENDS

- Globalisation, urbanisation and population growth
- Emphasis on environmental and health issues, carbon balance
- Increase in wood usage and replacing materials produced from fossil raw materials
- Digitalisation and new systems

MISSION

We are a pioneer of mechanical wood-processing and, as our material, we use the highest-quality wood in the world, which we process efficiently, safely and sustainably, layer by layer. We experience relevance as a local and regional employer and operator.

SUCCESS FACTORS

- High-quality products and satisfied customers
- Professional and motivated personnel
- Efficient process management
- Committed partners (forest owners, contractors, partners)

VALUES

WE CARE.

We are proud of our Finnish roots and ourselves. We appreciate each other, our customers and partners. We listen and help. We cherish sustainability, safety and equality.

WE DARE.

The world is changing – so are we. We dare to innovate and renew ourselves. We take responsibility, experiment and evolve. We are heading towards our ambitious goals.

WE LEAD.

We look forward, anticipate and lead the way. We operate in accordance with our objectives and rules: efficiently and persistently. We dare to promise – to each other and our customers – and live up to our promises.

Highlights of sustainability work in 2024/2025

EMPLOYEE NET PROMOTER SCORE (ENPS)
22

EMPLOYER'S OVERALL RATING
4.7

EMPLOYEES SATISFIED WITH THEIR WORKPLACE
89%

LOST-TIME INJURY FREQUENCY (LTIF):
6.0

- **90% of the wood from certified forests.**
- **151 self-monitoring inspections carried out at logging sites**

SHARE OF RENEWABLE ENERGY

of total energy consumption	of heating fuel consumption
74%	**94%**

Throughout the year, we actively supported a wide range of junior sports clubs, spanning disciplines from football and ice hockey to floorball, skating, volleyball, and Finnish baseball.

The carbon footprint of Versowood's new head office is small and well below the limit values.

CARBON FOOTPRINT APPROX.
15 kg
$CO_2e/m^2,a$

CARBON HANDPRINT APPROX.
10 kg
$CO_2e/m^2,a$

Versowood's Pori and Rovaniemi units were added to the scope of the certified ISO14001 environmental management system.

DOUBLE MATERIALITY ASSESSMENT

We prepared Versowood's first double materiality assessment, which will serve as the basis for future reporting in accordance with the CSRD requirements.

SUPPORTING SUSTAINABILITY WORK

Sustainability work was supported by recruiting an ESG manager to strengthen our resources in matters related to the environment and sustainability.

Sustainability certificates and commitments

PEFC/02-34-51

The certificate issued by DNV shows that Versowood's wood chain of custody system meets the requirements of the international standards PEFC ST 2002:2020 and PEFC ST 2001:2020.

- The certificate covers the following product groups: 010000 (Roundwood), 020000 (Fuelwood and energy), 020300 (Pellets and brickets), 030000 (Sawnwood and treated wood), 040000 (Engineered wood products), 060100 (Wood packaging), 090000 (Wooden buildings and construction material)
- **The certificate was originally issued on 23 August 2002, and the current one is valid until 31 January 2029.**

The certificate issued by DNV shows that Versowood's wood chain of custody system meets the requirements of the international standards FSC-STD-40-003, FSC-STD-40-004 and FSC-STD-40-005.

- The certificate covers the production and sale of sawn timber.
- **The certificate was originally issued on 30 May 2016, and the current one is valid until 29 May 2026.**

The certificate issued by Kiwa shows that Versowood's environmental management system meets the requirements of the international standard ISO14001:2015.

- The certificate covers the production and sale of wooden packaging boxes, the production, sale and service operations of pallets and cable drums as well as the production of unimpregnated sawn timber and further processes products in the locations mentioned in the certificate.
- **The certificate was originally issued on 20 March 2001, and the current one is valid until 24 January 2027.**

The certificate issued by Scandinavian Business Certification Ab shows that Versowood's quality system meets the requirements of the international standard ISO9001:2015.

- The certificate covers the production, sale and marketing of impregnated and unimpregnated wooden poles.
- **The certificate was originally issued on 29 October 2021, and the current one is valid until 08 October 2027.**

In May 2025, we achieved the bronze level in the ECOVADIS sustainability rating system with a score of 64/100.

In addition, Versowood is committed to the following sustainability initiatives and commitments:

- Energy Efficiency Agreement for Industries
- The Finnish Sawmills Association's forest environment programme
- The Finnish Forest Industries Federation's biodiversity roadmap for the wood processing industry
- The UN Universal Declaration of Human Rights
- The ILO Fundamental Principles and Rights at Work
- The UN Sustainable Development Goals

Material sustainability topics

Versowood has identified the material sustainability themes related to its operations by preparing a double materiality assessment in spring 2025. The double materiality assessment was carried out in accordance with the EU sustainability reporting standard ESRS1, also using EFRAG's IG1 guidance. The purpose of the analysis was to identify and assess sustainability-related impacts, risks and opportunities (IROs) for both Versowood's own operations and the value chain.

The core team in the project included Versowood's CEO, CFO, HR Director and ESG Manager as well as an external partner. In addition, experts from Versowood's various functions were involved, and the results were discussed and validated by the Management Team.

The double materiality assessment utilised a double materiality assessment commissioned by the Finnish Sawmills Association for the Finnish sawmill industry, in which several key stakeholders in the industry were interviewed. In addition, the analysis took into account the results of Versowood's employee and customer satisfaction surveys and supplemented the view with one stakeholder interview.

As a result, the following sustainability aspects essential for Versowood's operations were identified. The current policies and practices related to sustainability issues are described on pages 14–15 and the objectives on page 16 in Versowood's sustainability programme.

ENVIRONMENTAL RESPONSIBILITY		Material sustainability topic for Versowood
E1	Climate change	• Climate change adaptation • Climate change mitigation • Energy
E2	Pollution	• Pollution of air • Pollution of water • Substances of concern • Substances of very-high concern
E4	Biodiversity and ecosystems	• Direct impact drivers of biodiversity loss • Impacts on the state of species • Impacts on the extent and condition of ecosystems
E5	Resource use and circular economy	• Resource inflows, including use of resources • Resource outflows related to products and services • Waste

SOCIAL RESPONSIBILITY		Material sustainability topic for Versowood
S1	Own workforce	• Working conditions
S2	Workers in the value chain	• Working conditions
S3	Affected communities	• Communities' economic, social and cultural rights

CORPORATE GOVERNANCE		Material sustainability topic for Versowood
G1	Business conduct	• Corporate culture • Management of relationships with suppliers including payment practices

CURRENT POLICIES AND PRACTICES RELATED TO SUSTAINABILITY ISSUES

	Current sustainable development practices, policies and future initiatives	Publicly available	Target set	Current practices, policies and objectives		Future initiatives, objectives and measures	Highest responsible party
Climate change	Yes	Yes	Yes	• Environmental policy, Code of Conduct • Scope 1 and 2 and energy efficiency targets and annual monitoring of the company's greenhouse gas emissions.	• Commitment to the energy efficiency agreement. Measures to promote energy efficiency and energy savings. • Certified ISO14001 environmental management system	Reducing emissions from our own operations (Scopes 1 and 2)	Management Team
Pollution	Yes	Yes	Yes	• Environmental policy, Code of Conduct • Operations and monitoring in accordance with environmental permits and official regulations	• Careful use and storage of chemicals • Certified ISO14001 environmental management system	Expanding the ISO14001 environmental management system certification to include the entire Group	Management Team
Water	Yes	Yes	No	• Environmental policy, Code of Conduct	• Water saving and efficiency of use		
Biodiversity and ecosystems	Yes	Yes	Yes	• Environmental policy, Code of Conduct • PEFC and FSC wood chain of custody systems.	• Commitment to the measures and recommendations of certifications and forest environment programmes in the industry. • Self-monitoring.	Further increasing the share of wood raw material sourced from certified forests.	Management Team
Circular economy	Yes	Yes	Yes	• Environmental policy, Code of Conduct • Renewable main raw material. • Smart use of resources, use of sawmill by-products as raw materials and, in energy production, recycling of waste.	• Cable drum management services in the wood packaging business. • Certified ISO14001 environmental management system	Increasing the waste recycling rate	Management Team

	Current sustainable development practices, policies and future initiatives	Publicly available	Target set	Current practices, policies and objectives		Future initiatives, objectives and measures	Highest responsible party
Own workforce	Yes	Yes	Yes	• Code of Conduct and other internal guidelines • Annual job satisfaction survey • Development of occupational safety • Comprehensive occupational health care	• Preventive work ability management, early intervention model and substance abuse programme • Employee training and annual development discussions • Anonymous whistleblowing channel	Further development of occupational safety with the aim of reducing the accident frequency. Keeping employee satisfaction at least at the current level.	Management Team
Workers in the value chain	Yes	Yes	Yes	• Code of Conduct • Use of reliable partners and background checks before commitment, incl. Reliable Partner reports	• Safety orientation for service providers and safety cooperation at shared workplaces • PEFC and FSC chain of custody systems • Anonymous whistleblowing channel and other feedback channels	Commitment of all subcontracting partners to the Code of Conduct.	Management Team
Affected communities	Yes	Yes	No	• Operations in compliance with environmental permits, official regulations and certifications • Open house, stakeholder dialogue • Events	• Anonymous whistleblowing channel and other feedback channels		
Consumers and end users	Yes	Yes	No	• Code of Conduct • High-quality, safe and long-lasting products.	• Annual customer satisfaction survey • Anonymous whistleblowing channel and other feedback channels		
Business conduct	Yes	Yes	Yes	• Code of Conduct • Compliance with legislation and regulations	• Monitoring of related-party transactions • Anonymous whistleblowing channel	Increasing the transparency of sustainability communications. Commitment of all subcontractors to the Code of Conduct	Management Team

Versowood's sustainability programme 2030

Sustainability theme	Objective	2030 target	SDGs	ESRS sustainability topic
We value wood – and make the most of it for valuable and diverse uses	Highly processed products (others, excluding sawn timber) share of revenue (EUR)	45%		E5 Resource use and Circular economy
	Average wood utilisation ratio (wet basis)	< 2.0		E5 Resource use and Circular economy
	Share of certified wood of raw material	95%		E4 Biodiversity and ecosystems
We develop our operations to become more future-proof	Reduction of greenhouse gas emissions from our own operations (Scopes 1 and 2, market-based)	-21% from 2024 level		E1 Climate change
	Energy savings and energy efficiency improvement, energy intensity, MWh/MEUR	-10% from 2023 level		E1 Climate change
	ISO 14001 certification in all Versowood's sites	100%		E2 Pollution
	Waste recycling rate	75%		E5 Resource use and Circular economy
We create life around us and care about our employees and our community	Employee satisfaction	>4.7		S1 Own workforce
	Lost-time accident frequency (LTA), own personnel	0		S1 Own workforce
Through the Versowood entrepreneurial partnership, we support local entrepreneurship	Commitment of subcontractors to the Code of Conduct	100%		S2 Workers in the value chain G1 Business conduct

Environmental responsibility

Annually, we produce approximately 1.8 TWh of renewable, wood-based bioenergy.

Energy and climate

Climate change is a serious global challenge that requires immediate action from societies and companies. Also, Versowood has identified climate change as one of its key sustainability themes.

In accordance with our environmental policy, we are committed to promoting the transition from fossil energy sources and raw materials to renewable ones and thereby reducing emissions throughout our value chain.

A key area of Versowood's climate efforts is

Table 1

PURCHASED ENERGY, GWH	2022/23	2023/24	2024/25
Purchased electricity, fossil	114	120	129
Purchased electricity, renewable	0	0	0
Purchased heat, fossil	6	4	4
Purchased heat, renewable	0	0	0

Table 2

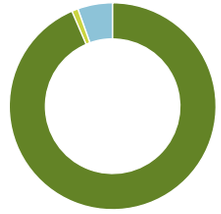
FUELS, GWH	2022/23	2023/24	2024/25
Renewable wood-based fuels	436	454	465
Oil	7	8	5
Peat	0	15	27
TOTAL FUELS	**444**	**477**	**497**

Table 3

CONSUMPTION, GWH	2022/23	2023/24	2024/25
Total energy consumption, fossil	127	148	165
Total energy consumption, renewable	436	454	465
Total energy consumption	563	601	630
Share of renewable energy (%)	77	75	74

Table 4

DISTRICT HEAT SOLD	2022/23	2023/24	2024/25
GWh	18	19	17



2024/2025
- Renewable wood-based fuels 94%
- Oil 1%
- Peat 5%

2024/2025
- Total energy consumption, fossil 26%
- Total energy consumption, renewable 74%

calculating the greenhouse gas emissions caused by our operations. We have been calculating the Scope 1–3 emissions of our operations since 2022, and our goal is to reduce our Scope 1–2 emissions by 21% by 2030.

Versowood also contributes to climate change through forest use and the wood-based products it manufactures. The carbon sequestration capacity of forests can be influenced through forest management. Versowood is committed to complying with the principles of sustainable forest management in its operations. You can read more on page 24.

The majority of Versowood's heat energy is produced at our own heating plants.

The wood-based products produced by Versowood bind atmospheric carbon throughout their life cycle. Increasing the use of wood in construction and furniture, for example, has a positive impact on the maintenance of these carbon stores. Wood products can also reduce construction emissions if non-renewable building materials are replaced with wood. You can read more on page 22. Out of Versowood's products, environmental product declarations are already available for sawn timber and glulam, including verified information on the products' impact on the environment and climate. Our goal is to prepare and publish LCA calculations for all our main product groups by 2030.

Energy use and production

The majority of Versowood's heat energy demand is produced at our own heating plants. In the fiscal year 2024/2025, approximately 94% of heating plant fuels were renewable, wood-based fuels, mainly consisting of side streams from our own production plants.

In the 2024/2025 fiscal year, fuel consumption increased by approximately 4% compared to the previous fiscal year, which is largely explained by the addition of the Turenki unit and heating plant to the monitoring. We also sell part of our heat production at the Vierumäki heating plant to local district heating networks, providing heat to the areas near our plants. In the 2024/2025 fiscal year, the amount of heat energy sold was nearly 17 GWh.

In the 2024/2025 fiscal year, our total energy consumption was 630 GWh, of which approximately 74% consisted of renewable energy.

We are constantly taking measures to save energy and use energy more efficiently. We have been a party to the energy efficiency agreement for industries since 2011. During the contract period 2017–2025, we increased our energy efficiency by 65 GWh/a, and by the end of 2024, we had already achieved the 10.5% energy efficiency target set for the contract period. In autumn 2025, we also joined the new energy efficiency agreement for the contract period 2026–2035.

Since 2020, the most significant energy-saving measures have been the introduction or renewal of heat recovery systems at Versowood's Hankasalmi, Otava, Riihimäki and Vierumäki units as well as the replacement of fluorescent tubes with more energy-efficient LED luminaires at several Versowood units.

Greenhouse gas emissions

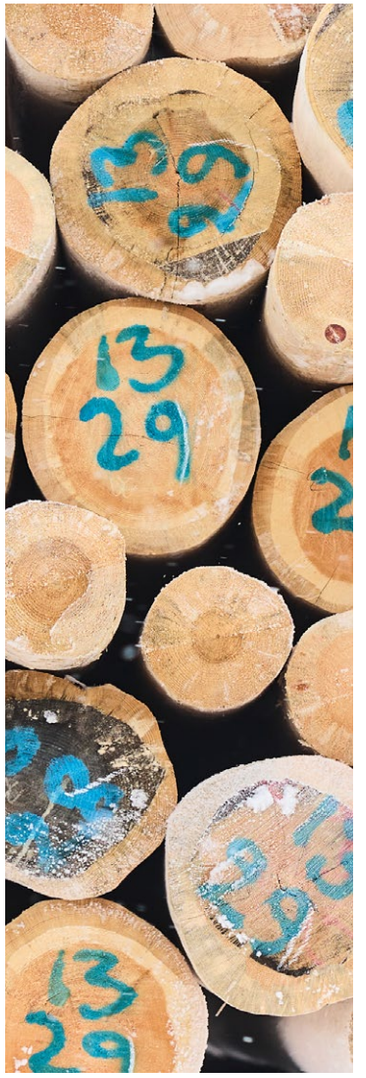
Versowood has been calculating the greenhouse gas emissions of its entire value chain (Scopes 1–3) since 2022. In 2024, the calculation was further developed by developing and introducing a GHG calculation tool that will enable us to calculate our emissions in a comparable manner in the coming years.

Our greenhouse gas emissions calculation includes direct emissions from our own operations (Scope 1) and emissions from purchased energy (Scope 2). Of the other value chain emissions (Scope 3), we have included in the calculation those categories that have been identified as material for Versowood's operations. In the 2024 calculation, the Scope 3 categories of capital goods, downstream leased assets and investments were taken into account for the first time. The 2024 calculations also included emissions of Versowood's international units for the first time. The emission categories included in the calculation are presented in Table 5.

In accordance with the GHG Protocol standard, the following greenhouse gas emissions are taken into account in Versowood's greenhouse gas emissions calculation: CO_2, CH_4, N_2O, HFCs, PFCs, NF_3 and SF_6. The calculation method used is the operational control method, i.e. the calculation includes functions included in Versowood's operational management. In addition to Versowood's own fuel and energy consumption, the emissions from its own operations (Scope 1+2) include operations carried out on rental properties and the use of fuels by subcontractors in factory locations. The emission factors used in the calculation are based on widely used and reliable sources.

Table 5. Emission categories taken into account in the calculation of greenhouse gas emissions

Scope	Calculation category	Included	
Scope 1	Vehicles and work machines	Yes	
	Other fuel consumption	Yes	
	Refrigerants	Yes	
Scope 2	Purchased electricity	Yes	
	Purchased heat	Yes	
Scope 3	Purchased goods and services	Yes	
	Capital goods	Yes	
	Fuel- and energy-related activities	Yes	
	Upstream transportation and distribution	Yes	
	Waste treatment	Yes	
	Business travel	Yes	
	Employee commuting	Yes	
	Upstream leased assets	No	No significant emission sources were identified that would not have been taken into account as part of other categories.
	Downstream transportation and distribution	No	No significant emission sources were identified that would not have been taken into account as part of other categories. Transports to customers taken into account as part of the upstream transportation and distribution category.
	Processing of sold products	No	Not identified as part of Versowood's processes.
	Use of sold products	Yes	
	End-of-life-treatment of sold products	Yes	
	Downstream leased assets	Yes	
	Franchises	No	Versowood's business does not include franchising operations
	Investments	Yes	



In 2024, the biogenic carbon footprint for Scope 1-2 was calculated for the first time. The effects of changes in land use have not been taken into account in the calculation.

Versowood's total greenhouse gas emissions in 2024 were 251,238 tCO_2e. Emissions decreased slightly from the previous year, by approximately 1%. Approximately 70% of Versowood's total emissions consisted of Scope 3 emissions, approximately 21% of Scope 2 emissions and approximately 9% of Scope 1 emissions.

Scope 1 emissions increased by 81% from 2023, primarily due to the acquisition of the Turenki unit and the inclusion of peat combustion at the site in the emissions calculation. Scope 2 emissions have decreased despite the slight increase in electricity consumption. This is due to a reduction in the emission factors used. The residual mix reported by the Finnish Energy Authority has been used as the emission factor for purchased electricity in market-based emissions, as more detailed information on the purchased electricity product has not been available.

The largest sources of emissions in Scope 3 are the categories Upstream transportation and distribution, which accounted for approximately 44% of Versowood's total emissions in 2024, and Purchased goods and services, which accounted for approximately 16% of Versowood's total emissions.

In 2024, our greenhouse gas emissions intensity (Scope 1 and 2 emissions tCO_2/revenue MEUR) was 145.3.

Climate targets and transition plan

In its sustainability programme, Versowood has set a measureable target for the emissions from its own operations (Scope 1 and 2). Our goal is to reduce emissions by 21% from the 2024 level (Table 7)

We will primarily be working towards this goal by reducing the use of fossil fuels in our own power plants and work machines, as we see that the greatest climate impact comes namely from reducing direct emissions. Increasing the share of renewable electricity in purchased electricity is only a secondary measure. Our approach emphasises genuinely impactful emission reductions where they have the most significant climate benefit.

Table 6

GHG EMISSIONS, tCO_2e	2022	2023	2024
Scope 1	11,455	12,237	22,119
Scope 2 (market-based)	56,968	57,150	52,827
Scope 2 (location-based)	10,050	10,082	4,450
Scope 3	176,080	183,905	176,292
TOTAL	**244,503**	**253,292**	**251,238**
Biogenic emissions (Scopes 1 and 2)	na	na	193,348

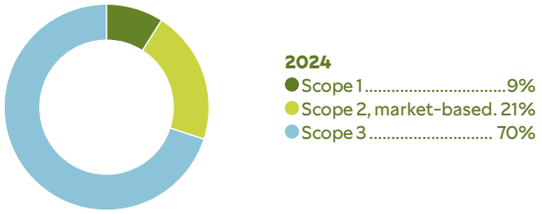


Table 7

GHG EMISSIONS, tCO_2e	2024	TARGET 2030
Scope 1 and Scope 2 emissions	74,946	-21% from base year 2024

Table 8, climate risks

PHYSICAL RISKS	TIME PERIOD
Decreased availability of raw material due to climate change	Long term

TRANSITION RISKS	TIME PERIOD
Impacts of climate and environmental regulation on the availability and price of wood raw material	Short term
Wood construction is not promoted through incentives or regulation	Medium term
The impact of regulation on energy production	Medium term

Our goal is to reduce our Scope 1 and 2 emissions by 21% by 2030.

We review our goals annually and make changes to them when necessary.

Climate risks

Versowood has identified climate risks related to its operations as part of the double materiality assessment (p. 13).

The impact of possible future regulation on the availability of wood was assessed as the most significant climate-related risk. All risks assessed as material in the double materiality assessment are listed in Table 8.

We prepare for changes in regulations primarily by actively monitoring changes and by seeking to influence the development of regulations, particularly through cooperation with industry organisations.

The trends related to climate change may also show up as an opportunity in Versowood's operations, especially if the demand for wood as a renewable material that binds carbon dioxide emissions increases in the future.

Wood products store carbon dioxide from the atmosphere

Wood acts as a natural carbon store, as it binds carbon dioxide from the atmosphere as it grows. When wood is processed into a product, this carbon is retained in the material throughout the life cycle of the wood product. The significance of the carbon storage impact increases if wood products are used to replace, for example, other building materials whose production causes high emissions. In addition, wood products can be recycled or used as energy at the end of their life cycle, further reducing the need for fossil fuels. This way, wood supports carbon neutrality goals in both construction and other industries.

In spring 2025, a life cycle assessment (LCA) was prepared for Versowood's new wooden headquarters of approximately 3,000 square metres. According to the LCA, the carbon footprint of the building is approximately 15 $kgCO_2$ e/m^2,a. This is well below the requirements for the carbon footprint of office buildings of the Building Act, which will enter into force in Finland at the beginning of 2026, and the limit values that will continue to be tightened in 2028. In addition, according to the LCA calculation, the carbon handprint of the head office, i.e. its positive impact, is exceptionally high, at approximately 10 $kgCO_2$ e/m^2,a. The main reason for the good results was using a large proportion of wood in the building materials, which shows the potential of wood construction in achieving sustainability goals.

Pollution of air, water and soil

In accordance with Versowood's environmental policy, our goal is to prevent the negative impacts of our operations and improve the level of environmental protection in accordance with the principles of continuous improvement. In the fiscal year 2024/2025, six of Versowood's units were covered by the ISO14001 environmental management system, and our goal is to bring all of Versowood's operations under the ISO14001 environmental management system by 2030.

All of Versowood's units subject to environmental permits have valid permits, the implementation of which is regularly monitored by local environmental authorities. We carry out environmental monitoring in accordance with environmental permit regulations, at minimum.

We prevent soil and water pollution, especially through careful handling and storage of chemicals. No significant environmental damage requiring corrective measures occurred at Versowood's units in the 2024/2025 fiscal year. In soil restoration, we follow the principle of due diligence and a sustainable restoration strategy, which means that we carry out the necessary soil surveys and implement the necessary measures in connection with each project. We monitor stormwater, groundwater and surface water at different units in accordance with local official regulations and unit-specific monitoring plans.

Emissions to air are mainly caused by the combustion processes of Versowood's heating plants. The emissions consist of carbon dioxide, nitrogen and sulphur oxides and particulate matter. No exceedances of emission limits were observed in the emission measurements carried out during the fiscal year.

Emissions from heating plants have decreased due to investments in cleaner combustion technology and flue gas purification.

Taking care of the environment is part of every Versowood employee's job description. Every employee is responsible for monitoring the environment and reporting environmental observations and damage to the Toyme system. Each report recorded in the system is investigated along with its causes, and the necessary corrective actions are taken.

Table 9

EMISSIONS TO AIR, T	2022/23	2023/24	2024/25
Particulate matter	53	70	16
Sulphur dioxide (SO_2)	16	13	5
Nitrogen oxides (NO_x)	207	209	154

Biodiversity

In accordance with Versowood's environmental policy, we know the origin of the wood we use and aim to increase the share of certified wood. We are committed to complying with legislation, forest certifications and forest industry environmental programmes, and to ensuring the viability and diversity of forests.

Sustainable wood procurement

Versowood procures all its logs from Southern and Central Finland, typically from within less than 100 km from the sawmills. Currently, around 90% of the logs we source come from PEFC- or FSC-certified forests, and we aim to increase this share to 95% by 2030. Certification proves that forests are used responsibly and managed in an environmentally, economically and socially sustainable manner. Versowood's own operations also have PEFC and FSC chain of custody-certified wood origin management systems, with procedures that ensure that we always know exactly from which forest the wood we source comes. Before starting felling, it is always ensured that a notification of forest use has been submitted and, in addition, environmental information, such as registers of endangered species, are taken into account in the planning and implementation of harvesting with the help of the map materials used in wood procurement.

For several years, Versowood has complied with the EU Timber Regulation (EUTR) and ensured that the wood has not been illegally felled. During 2024–2025, we have taken various measures to ensure that our operations will also meet the requirements of the Deforestation Regulation (EUDR) when it enters into force.

In addition to legislation and certifications, Versowood is committed to initiatives in the industry, such as the Finnish Sawmills Association's forest environment programme and the Finnish Forestry Industry Federation's and Finnish Sawmills Association's biodiversity roadmap for the wood processing industry. In connection with timber trade, we actively seek to implement measures in accordance with initiatives and certifications in cooperation with forest owners in order to promote biodiversity and protect forest nature in commercial forests. Such measures include taking waterways into account, sparing decaying trees and making artificial snags. If necessary, we also offer forest owners advice on how to maintain the viability of forests.

Table 10

CERTIFIED WOOD	2023	2024	2025
Share of certified wood [%]	91	91	90

Table 11

SELF-MONITORING CARRIED OUT NUMBER OF INSPECTIONS	2023	2024	2025
Regeneration felling	60	63	75
Other thinning	53	19	45
First thinning	7	6	11
Other felling	2	2	5
Silviculture at continuous cover	3	3	5
Forest regeneration	11	7	10
TOTAL	**136**	**100**	**151**

An important part of sustainable wood procurement is the self-monitoring we carry out at our logging sites. In our self-monitoring, we verify that Versowood and our partners have acted in accordance with legislation, certifications and other commitments. According to the sampling plan, approximately 100 wood harvesting and forest regeneration sites are inspected annually. The inspection covers all stages from the notification of forest use to the quality of harvesting work. The main focus of the inspections is on meeting the requirements provided for in legislation and certifications, but harvest planning and harvest site preparation are also an important part of the inspections. Self-monitoring of wood harvesting is carried out in all procurement regions so that all logging methods and all harvesting entrepreneurs are covered. For example, in 2025, 107 occasions of timber sales transactions were reviewed, and 151 sites were inspected due to the various methods of logging. The total area of the sites was approximately 460 ha.

The results of self-monitoring lead to practical measures, and all observed deviations are always discussed with the parties concerned. The results are reviewed in webinars held for forest experts and forest machine operators, and the reports are provided to those concerned for information for each reviewed timber sales transaction. Based on the results of self-monitoring, targeted training has been organised annually for forest experts and forest machine operators, for example:

- *Retention tree and PEFC criteria refresher training*
- *Targeted training for forest machine operators on considering small water bodies*
- *Requirement and instructions for forest experts on precise work instructions for the safe and high-quality implementation of work in the forest.*
- *Sustainability and Code of Conduct training for salaried employees in wood procurement*

Areas important for biodiversity in the vicinity of production plants

Areas important for biodiversity located less than one kilometre away from Versowood's production plants are presented in Table 12. The survey takes into account Natura 2000 areas and protected areas owned by the Finnish state. Under normal circumstances, Versowood's operations are not expected to have an impact on these areas. Policies and measures for managing environmental impacts in the vicinity of production plants are described in Pollution of air, water and soil (p. 23).

Table 12. Areas important for biodiversity in the vicinity of production plants

VERSOWOOD UNIT	DESCRIPTION OF OPERATIONS	BIODIVERSITY-SENSITIVE AREA	SHORTEST DISTANCE	SPECIFICATION
Pori pallet plant	A small unit employing three people. Production of approximately 200,000 loading pallets per year.	Kokemäenjoki River Delta	Approx. 300 m	Natura 2000 area
Heinola glulam plant	A unit employing approximately 40 people. Production of approximately 54,000 m^3 of glulam per year.	Pyssyharju	Approx. 500 m	Natura 2000 area

Resource use, circular economy and waste management

In accordance with Versowood's environmental policy, we are committed to using raw materials, energy and water as efficiently as possible.

Smart use of resources

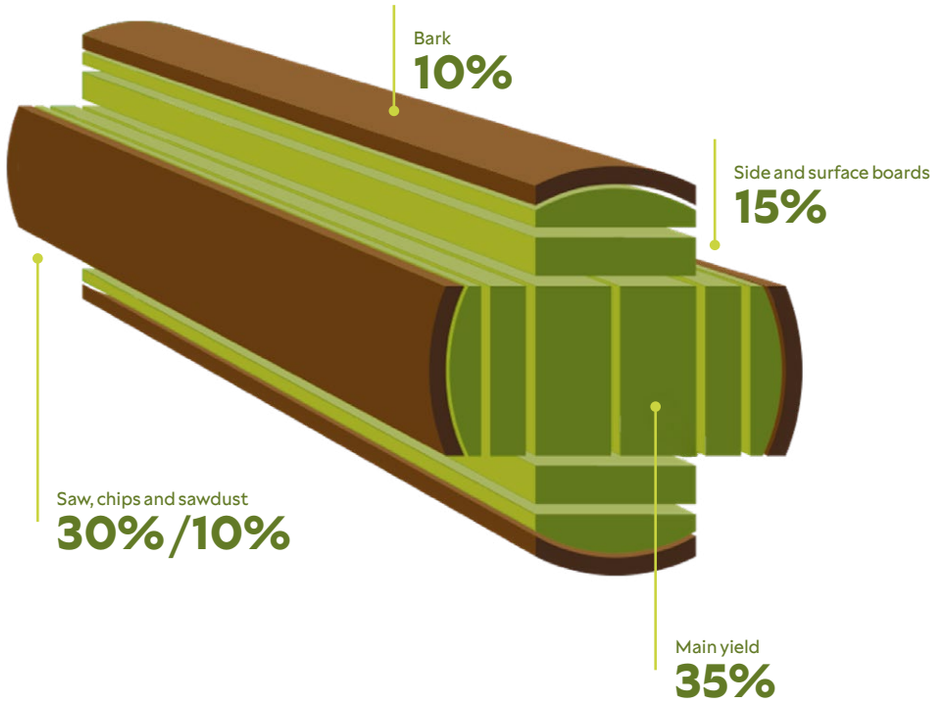
Our most important raw material is Finnish wood, which is a renewable natural resource in itself and complies with the principles of the circular economy, and at Versowood wood raw material is used down to the last speck of sawdust. We use modern sawmill technology to get as much sawn timber from the raw wood as possible. In addition to sawn timber and further processed products, we produce pellets and forest energy for the energy industry from the by-products of our own sawmills, and we use screened pine and spruce wood chips to produce Hirnu sawdust littering for animal shelters. The portion of the side streams that we cannot use as material is used for energy production at our own heating plants.

Our goal is to keep the average wood utilisation ratio, i.e. how much raw wood is used to produce one cubic metre of product, above the industry average. On average, the sawmill industry needs about 2.2 cubic metres of sawlogs per cubic metre of saw timber. In the 2024/2025 fiscal year, Versowood's utilisation ratio was 1.95.(wet basis).

Going forward, we want to generate even more value from our raw materials and side stream products. That is why our goal is to continuously increase the share of high value-added products in our total turnover – our target is 45% by 2030.

Table 13

USE OF RAW MATERIALS	2022/23	2023/24	2024/25
Log [1,000 m³]	2,507	2,547	2,795
Utilisation rate	1.94	1.96	1.95



Versowood's wood raw material is used down to the last speck of sawdust.

Waste

In accordance with Versowood's environmental policy, we are committed to reducing the amount of waste and increasing its recycling and recovery. We aim to increase the recycling rate of ordinary waste to 75% by 2030.

Versowood's production plants generate wood-based fractions, ash, energy waste, mixed waste, metal scrap and small amounts of biowaste, plastic, cardboard, paper and other ordinary waste fractions. Hazardous waste includes for exampleimpregnated wood and waste containing glue and creosote. Construction and demolition operations generate varying amounts of construction waste each year.

A large part of the side streams of the production plants can be utilised. Wood-based side streams are utilised in our own production processes or incinerated at our own heating plants (p. 19), and the ash is directed to be utilised either in landfill structures, other earthworks or for growth medium and fertiliser use. Other waste is delivered through waste management companies for appropriate recovery either as material or energy, and a small part ends up in final disposal.

The aim is to continuously develop the waste management of the units by increasingly directing waste for recovery. This can be achieved, for example, through added sorting options and improved instructions. We can significantly reduce the amount of hazardous waste generated in our processes by purifying the glue-containing waste water in glulam production at our own biological treatment plant, and the paint-containing waste water at our chemical treatment plant.

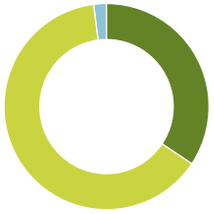
Table 14

PROCESS WASTE, NON-HAZARDOUS (ASH)	t	%
Recycling	646	16
Energy recovery	0	0
Other utilisation	3,412	82
Landfill and other final disposal	109	3
Total	**4,168**	

2024/2025
- Recycling 16%
- Energy recovery 0%
- Other utilisation 82%
- Landfill and other final disposal 3%

Table 15

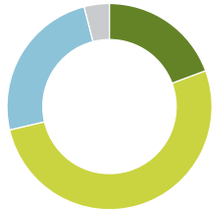
OTHER NON-HAZARDOUS WASTE	t	%
Recycling	570	34
Energy recovery	1,053	63
Other utilisation	35	2
Landfill and other final disposal	3	0
Total	**1,661**	



2024/2025
- Recycling 34%
- Energy recovery 63%
- Other utilisation 2%
- Landfill and other final disposal 0%

Table 16

HAZARDOUS WASTE	t	%
Recycling	29	7
Energy recovery	359	83
Other utilisation	37	9
Landfill and other final disposal	6	1
Total	**431**	



2024/2025
- Recycling 7%
- Energy recovery 83%
- Other utilisation 9%
- Landfill and other final disposal 1%

Social responsibility

In the 2024/2025 fiscal year, our head-count exceeded 900.

Own workforce

In addition to applicable legislation, the responsibility of Versowood's own workforce is guided by the company's values and Code of Conduct.

In accordance with the Code of Conduct, Versowood is committed to looking after its employees' health and safety, equality, fair working conditions and professional development.

In the 2024/2025 fiscal year, Versowood employed an average of 914 people, of which 99.5% were in Finland. The majority, approximately 90% of the personnel, are men, which reflects the gender distribution typical of the industry. Versowood's aim is to avoid all forms of gender-based discrimination in all circumstances, starting from job advertisements and recruitment.

Our staff turnover during the fiscal year was approximately 10%, which is moderate and indicates commitment. Many of our employees have been with us for a long time – some up to retirement age. The majority of Versowood's employees, 93%, are in a permanent employment relationship. The number of fixed-term employment relationships during the 2024/2025 fiscal year was approximately 63.

Versowood's annual employee satisfaction survey is used to measure employee wellbeing, motivation and commitment and identify problem areas and development areas.

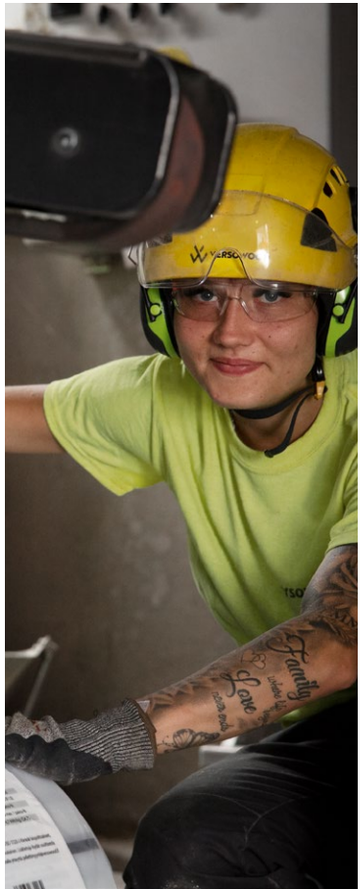
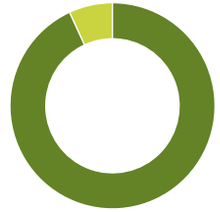
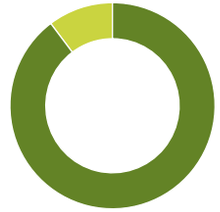


Table 17

NUMBER OF EMPLOYEES	2022/23	2023/24	2024/25
Persons	903	907	914
Permanent employees	834	850	851
Fixed-term employees	69	57	63
Men (all employees)	797	805	820
Women (all employees)	106	102	94



2024/2025
- Permanent 93%
- Fixed-term 7%

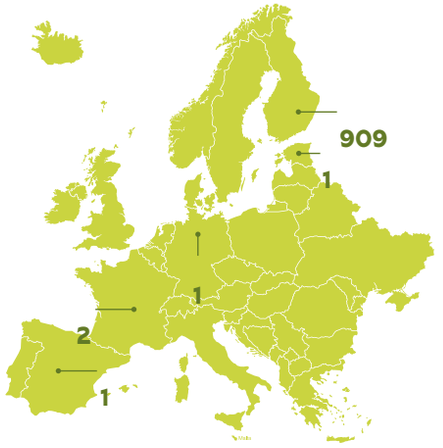


2024/2025
- Men 90%
- Women ..... 10 %

Table 18

	2022/23	2023/24	2024/25
Self-employed persons	0	0	0
Temporary employees	52	50	83

The results are reviewed with the entire organisation, and various development measures are planned and implemented annually on the basis of the results. According to the surveys, employees are happy at Versowood; in the survey for the 2024/2025 fiscal year, 89% of employees were satisfied with their workplace and the eNPS was 22. The employer's overall score in the survey was 4.7/6, and as part of our sustainability programme, our goal is to keep it at least 4.7 going forward. Based on the results of the survey, numerous concrete measures were taken, such as improving the reception of radiotelephones, repairing the floor of the production facilities at our glulam plant and developing the orientation process for new and existing employees.



Occupational safety and health

Versowood's systematic work to improve occupational safety and the safety culture has been ongoing for several years, resulting in the accident frequency falling from 42 in 2016 down to 6 in the last fiscal year. During the fiscal year, there were 9 lost-time injuries throughout the Group. In our sustainability programme we aim at zero accidents by 2030.

The level of occupational safety has been improved by implementing preventive measures, such as systematic risk assessments, regular safety rounds and the careful investigation of each occupational accident and determination of necessary corrective actions. Attention is paid to the personnel's protective equipment, and everyone in the plant area is required to wear safety shoes, high-visibility clothing, a helmet, protective goggles as well as hearing protection in noisy areas and other necessary task-specific protective equipment. The competence of the personnel is ensured through regular safety training, safety sessions and the

Table 19

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES:	2022/23	2023/24	2024/25
Finland	898	902	909
Estonia	1	1	1
Germany	1	1	1
France	2	2	2
Spain	1	1	1
Other	0	0	0

PERSONNEL TURNOVER RATE

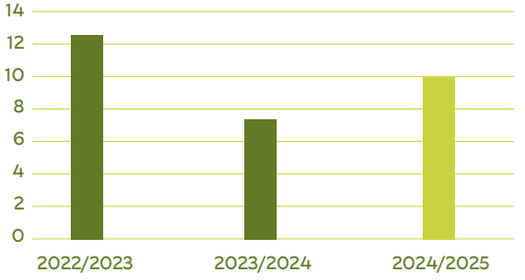


Table 20

KEY SAFETY FIGURES,	2022/23	2023/24	2024/25
Occupational accidents (all), pcs	104	84	57
Occupational accidents (lost-time injuries, LTI) , pcs	21	9	9
Occupational accident frequency (LTI), pcs	15	6	6
Deaths due to occupational accidents or diseases , pcs	0	0	0
Safety observations, pcs	1,285	1,289	1,442

Accident frequency calculated per 1,000,000 hours worked

orientation of new employees. Cleanliness and order go hand in hand with safety, and Versowood's Lean 5S principles have been implemented at various units since 2022.

Reporting and processing safety observations is an important part of preventive occupational safety work and also an opportunity for the personnel to participate in the development of safety. Every employee is encouraged to report safety observations, and efforts have been made to make reporting them as easy as possible for the company's own personnel, subcontractors' employees working at the units and visitors alike. Reporting safety observations and other preventive measures are also one of the objectives of the safety bonus paid to the personnel.

All Versowood employees in Finland are covered by comprehensive occupational health services. These services include regular health screenings to monitor employee well-being in relation to workplace exposure factors. The primary focus is on preventing work ability risks, with support available for areas such as workstation ergonomics.

Versowood utilises extensive operating models to support performance and well-being. These include frameworks for modified duties, alternative work, and rehabilitative activities. Furthermore, the early identification of work ability risks is ensured through an early intervention model and a substance abuse prevention programme. To support mental well-being, employees have 24/7 access to a digital mental health chat service and the possibility of short-term therapy.

Employment terms

All of Versowood's units are located in Finland or other EU countries where the legal requirements for working conditions, such as working hours, annual leave and parental leave, are already high. The majority, more than 99%, of Versowood's employees are also covered by Versowood Oy's company-specific collective agreements, which are negotiated with the employer, the Industrial Union, Trade Union Pro, Metsäalan Asiantuntijat ry as well as representatives of employees and salaried employees. The Muurla packaging plant complies with the collective agreements for the carpentry industry.

The employees are paid in accordance with the terms and conditions laid down in the legislation and collective agreements. At a minimum, all of Versowood's employees are paid a salary level that is sufficient for living and is compliant with the requirements of the collective agreements.

Ensuring competence

Versowood is committed to supporting the development and career advancement opportunities of its employees. Everyone has equal opportunities to participate in competence-developing training in accordance with the requirements of the task. Training is organised in accordance with the annual training plan and the needs arising from development discussions. Safety training is organised comprehensively and annually with the aim of ensuring that all production personnel have valid occupational safety and hot work cards and that a sufficient share of employees have first aid skills.

An annual development discussion is held with each employee, the aim of which is to review matters related to work performance, job satisfaction and coping at work. All new employees are provided with orientation and work guidance, which includes

comprehensive matters related to the employment relationship, the company, the task and safety.

Versowood also supports the competence development of its personnel by offering the opportunity to participate in a degree-oriented sawmill apprenticeship training, which lasts approximately two years and includes on-the-job training at Versowood's production plants. Supervisors and experts in charge of the work have the opportunity to participate in a special vocational qualification in supervisory work in production through an apprenticeship, in which 15–20 Versowood employees participate annually. Supervisors are also trained by annual supervisor days, which provide training and refresher courses in areas such as work ability management, safety management, employment contract law and occupational safety law.

Table 21

%	2022/23	2023/24	2024/25
Share of personnel covered by collective agreements	99.55	99.56	99.56

Table 22

TRAINING HOURS	2022/23	2023/24	2024/25
Training hours per person, men	5.4 h	4.6 h	3.3 h
Training hours per person, women	8.5 h	6.4 h	4.0 h
TOTAL TRAINING HOURS	**5,234 h**	**4,370 h**	**3,090 h**

HUMAN RIGHTS AND CODE OF CONDUCT

Versowood is committed to complying with the relevant legal requirements, collective agreements and principles of responsible business in all of its operations. In all our operations, we respect the universal human rights as defined in the UN Universal Declaration of Human Rights and the ILO's Fundamental Principles and Rights at Work. Versowood's Code of Conduct defines our approach to responsible business, labour rights, human rights and environmental responsibility. The Code of Conduct covers all of Versowood's employees, and training on it was last provided to salaried employees in spring 2025.

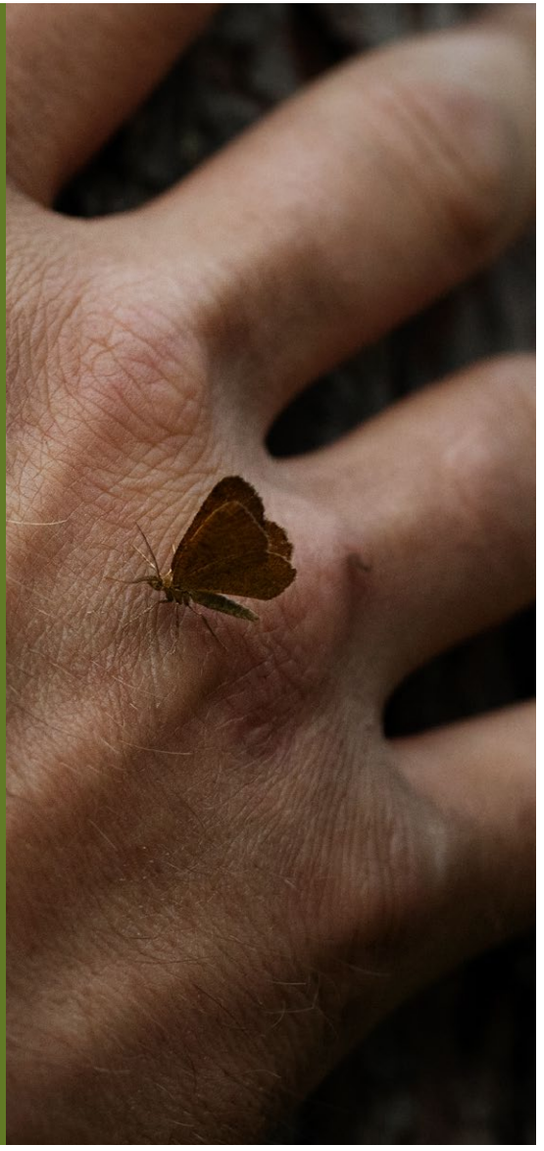
In accordance with our Code of Conduct and Finnish law, Versowood does not tolerate the use of child labour or forced labour under any circumstances nor discrimination based on anyone's personal characteristics, such as age, race, gender, nationality or sexual orientation. During recent fiscal years, Versowood has not been made aware of any human rights violations related to Versowood's own operations, employees in the value chain or communities.

Versowood's anonymous whistleblowing channel offers the opportunity to report suspected misconduct and violations of the Code of Conduct confidentially and anonymously. The anonymous whistleblowing channel is available to employees on Versowood's intranet and to other stakeholders on the company's website. Every report submitted through the anonymous whistleblowing channel is investigated, and the necessary actions are taken. In the 2024/2025 fiscal year, one report was processed through the anonymous whistleblowing channel.

At Versowood, inappropriate treatment of any kind is not tolerated at the workplace. Workplace harassment and any suspicion of harassment are always addressed at a low threshold. In our latest anti-harassment campaign, we focused on respectful behaviour for all.

Topics covered by Versowood's Code of Conduct

- Human rights, incl. child labour, forced labour, human trafficking, discrimination, safety
- Environmental responsibility and product safety
- Corruption and bribery
- Money laundering
- Compliance with competition law
- Compliance with sanctions regulations
- Protection of company assets
- Information security
- Sustainable procurement
- Compliance with laws and regulations



Workers in the value chain

Responsibility related to the employees of Versowood's value chain is guided by Versowood's Code of Conduct, which Versowood requires its personnel, suppliers and other key partners to comply with. Suppliers and other partners are carefully selected. Before making permanent commitments, we make sure that we know the supplier well enough and that we have no reason to suspect unethical practices. All our subcontracting partners are required to be members of the Reliable Partner service. Our goal is that 100% of our subcontractors are committed to complying with Versowood's Code of Conduct or equivalent principles. Compliance with the Code of Conduct is included in subcontracting agreements.

In wood procurement, key measures to improve the rights of employees in the value chain in addition to the aforementioned include compliance with the requirements of forest certifications and wood chain of custody systems (PEFC and FSC) as well as annual auditing of operations by an independent third party. Wood procurement partners have access to the intranet, which contains all the instructions and information needed for working responsibly and safely in Versowood's supply chain.

It is important to Versowood that regions remain vibrant and developing.

At Versowood's production plants, it is mandatory for the service providers working in them to complete safety orientation training before starting work. Machine contractors operating at the production plants participate in joint occupational safety committee meetings, in which occupational accidents and reported safety observations are discussed as part of the continuous development of safety. All service providers working at the production plants can report their safety observations in the same system as Versowood's employees. All employees in the value chain can also report any deficiencies they observe either through Versowood's anonymous whistleblowing channel or directly to Versowood's contact person.

Affected communities

As a result of Versowood's double materiality assessment, the company's impact on communities was mainly seen as positive, particularly due to the employment impact, payments made to forest sellers and other economic significance. Versowood's goal is to prevent potential negative impacts in the vicinity of the factories and in the wood procurement value chain by acting in accordance with legislation, official regulations, certifications and Versowood's environmental policy, and by reacting immediately to any deviations. Versowood does not operate in or procure wood from indigenous areas.

Dialogue with local communities takes place through, for example, official processes, feedback channels and open house events. Local communities have a right defined in legislation to participate in the environmental permit processes of plants by submitting reminders to environmental permit applications, which are taken into account in the permit process. In other matters, the affected communities can raise their concerns directly to the company's contact persons or through the anonymous reporting channel, and all feedback received is processed without delay. Versowood organises an annual open house event in one of the cities in which it has its factory locations. During the event, local community residents and other stakeholders can visit Versowood's unit, learn about Versowood's operations and meet the company's representatives.

It is important to Versowood that regions remain vibrant and developing. Vibrant regions create the conditions for the availability of skilled labour and sustainable business. We support both individual athletes as well as local events, sports clubs and organisations that offer children opportunities for hobbies, social cohesion and well-being. Sports and organized club activities strengthen inclusion and support social sustainability on the local level.

VERSOWOOD OY'S REGIONAL ECONOMIC IMPORTANCE IN THE FISCAL YEAR 07/2024–06/2025

Corporate governance

We are developing our sustainability communications to be more transparent by publishing our first VSME sustainability report.

VERSOWOOD'S GOVERNANCE AND MANAGEMENT STRUCTURES

Versowood's Board of Directors consists of five members, and its composition has remained the same in recent years. The Board of Directors determines the company's strategic guidelines and long-term goals. The Board of Directors meets approximately ten times a year, and its activities are guided by an annual clock, which sets the rhythm of the topics discussed throughout the year. The company's President and CEO and CFO also regularly participate in the meetings of the Board of Directors.

An eight-member Management Team is responsible for the company's operational management, and its composition has also remained the same in recent years. The duties of the Management Team include the overall management and monitoring of operational activities, performance monitoring and the definition of operational guidelines.

Versowood's extended Management Team consists of approximately 30 people, including representatives of the steering groups and administrative representatives. Administrative representatives are selected by the personnel groups, and act as a link between the personnel and management. They highlight the views and suggestions of the personnel and participate in decision-making. The extended Management Team is responsible for budgeting and financial monitoring on a quarterly basis.

Administrative representatives act as a link between the personnel and management.

Corruption and bribery

Versowood has a strict zero-tolerance policy regarding bribery and corruption. Business gifts, commemorations and entertainment must be offered in a transparent, reasonable and independent manner in accordance with Versowood's Code of Conduct.

Versowood has not received any convictions or fines related to corruption or bribery during the fiscal year 07/2024–06/2025 nor during previous fiscal years.

Sources of income and exclusion from EU benchmarks

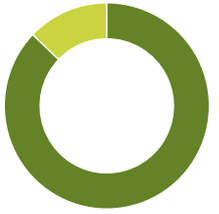
With reference to the disclosure requirement 63 in Section C8 of the VSME standard, Versowood has no activities related to weapons, tobacco cultivation or manufacturing, fossil fuels or agricultural chemicals.

With reference to disclosure requirement 64 in Section C8 of the VSME standard, Versowood's business does not include the exploration, refinement or distribution of fossil fuels or electricity production with a GHG intensity of more than 100 g CO_2e/kWh and is therefore not excluded from the EU's Paris Agreement benchmarks.

GENDER DISTRIBUTION OF THE BOARD OF DIRECTORS

2024/2025
- Men 80%
- Women 20%

GENDER DISTRIBUTION OF THE MANAGEMENT TEAM



2024/2025
- Men 88%
- Women 12%

List of units

15 production units in Finland, 1 in Estonia.

VERSOWOOD'S UNITS

UNIT	Street address	Postal code	City	Coordinates
FINLAND				
Versowood head office	Sahatie 1	19110	Vierumäki	61.10443° N 25.93297° E
Vierumäki unit	Teollisuustie 60	19110	Vierumäki	61.10398° N, 25.93185° E
Vierumäki unit, pole production	Vääksyntie 145	19110	Vierumäki	61.115149° N, 25.914469° E
Riihimäki unit	Teollisuuskatu 1	11130	Riihimäki	60.72701° N, 24.77811° E
Hankasalmi sawmill	Kuuhankavedentie 21	41500	Hankasalmi AS	62.38333° N, 26.43333° E
Otava sawmill	Sahantie 16	50670	Otava	61.6768° N, 27.3062° E
Kissakoski sawmill	Peuranlahdentie 52	52550	Hirvensalmi	61.63501° N, 26.75532° E
Heinola glulam plant	Tähtiniementie 3	18100	Heinola	61.1944598° N, 26.0116728° E
Hartola glulam plant	Kurpanpellontie 5	19600	Hartola	61.57475° N, 26.00160° E
Haukipudas wood packaging plant	Annalankankaantie 2	90830	Haukipudas	65.16196° N, 25.34355° E
Rovaniemi wood packaging plant	Ahjotie 27	96300	Rovaniemi	66.48980° N, 25.64426° E
Valkeakoski pallet plant	Peuranoronkatu 1	37630	Valkeakoski	61.27825° N, 23.97095° E
Muurla pallet plant	Muurlantie 101	25130	Muurla	60.36766° N, 23.29836° E
Pori pallet plant	Eerontie 3	28840	Pori	61.58065° N, 21.52761° E
Juupajoki pellet plant	Tapulitie 8	35500	Korkeakoski	61.8113663° N, 24.3852503° E
Turenki pellet plant	Sokeriportti 8	14200	Turenki	60.91667 ° N, 24.63333 ° E
Riihimäki forest office	Arolammintie 1	11130	Riihimäki	60.72909° N, 24.781447° E
Mikkeli forest office	Savilahdenkatu 5–7	50100	Mikkeli	61.69° N, 27.2722° E
Korkeakoski sawmill	Sahantie 10	35500	Korkeakoski	61.805289° N, 24.3844954° E
ESTONIA				
Versowood Estonia Oü	Kadaka tee 10	76202	Riisipere, Saue vald	59.103562° N, 24.319992° E
SPAIN				
Versowood Iberica SL	Calle Miguel Servet, 38 ES - 28939	28939	Arroyomolinos, Madrid	47.39544° N, 0.68060° E
FRANCE				
Versowood France Sarl	8 rue des Cerisiers	37000	Tours	40.29881° N, –3.89922° E
GERMANY				
Versowood Deutschland GmbH	Genthiner Str. 6 b	39317	Parey	52.386971 ° N, 12.011927 ° E

versowood.fi