

ESG Questionnaire

Aspo Group

General industry

Please list the industry's three biggest sustainability (ESG) related challenges and briefly describe the process for identifying these challenges?

The key focus areas Aspo has defined for its sustainability work are the following:

1 Growing our business while lowering pressure to the environment

- Lowering carbon intensity
- Driving sustainable innovations
- Improving recycling and waste management

2 Improving Aspo experience for people in our value chain

- Ensuring employee safety
- Improving the employee, customer and principal experience
- Enhancing product and service quality

3 Driving sound governance practices at all levels

- Sound governance practices
- Thorough risk management
- Continuous development of our sustainability program

Aspo's key focus areas and ESG targets are based on extensive target setting process, which included thorough business-specific materiality assessments, stakeholder interviews and benchmark analyses.

Does the company have a Science Based Target, report to the CDP or engage in any similar sustainability initiatives?

Since 2018, Aspo has been a member of the UN's Global Compact initiative, and the Group's operations are steered by the ten Global Compact principles related to human rights, working life principles, the environment, and the prevention of corruption.

Our shipping company ESL Shipping, whose operations account for the vast majority of the whole Group's emissions, will commit to Science Based Targets initiative by the end of 2023.

Have you conducted any preliminary assessments of your company in relation to the EU Taxonomy? If so, what was the outcome?

Based on the preliminary assessment conducted in 2021, Telko and Leipurin operations fall outside the scope of EU Taxonomy while ESL Shipping's turnover, capital expenditure and operating expenditure are all 100% taxonomy eligible.

Environment

Please list the firm's three primary risks related to climate change and if any, the firm's climate related opportunities.

Climate change and the transition to a lower-carbon global economy poses risks to Aspo's businesses for example through tightened environmental regulation in maritime transport, extreme weather conditions impacting the yields and resulting in a shortage of raw materials, and more comprehensive regulation on the use plastics and certain chemicals.

The long-term target of Aspo Group is that Aspo's businesses are forerunners in sustainability in their industries, with the aim of turning climate-related risks into opportunities and competitive advantage.

Does the firm anticipate any climate related investments, and if so to what extent?

Last fall we announced that our subsidiary ESL Shipping will build a series of six new, highly energy-efficient electric hybrid vessels. These new vessels are top of the market in terms of cargo capacity, technology, and innovation. The total value of the six ships is approximately 70 million euros. The greenhouse gas emissions, including CO₂, of new vessels per cargo unit transported will decrease by almost 50% compared to the existing ships, making the vessels the most efficient in the world in their size class. The vessels' battery packs, shore-side electricity solution and electric hybrid use enable completely emission-free and noise-free port calls. Ships can also arrive and leave the port with only electric power.

In 2021, ESL Shipping also made major investments in maintenance and environmental upgrades to its fleet. In all dockings, ballast water treatment systems were installed onboard.

Circular Economy: how are purchases and waste managed? If the firm rely on any scarce resources, please describe what efforts are made to mitigate the risk of those resources becoming scarcer in the future, e.g. recycling, reusing substitutes or improved resource efficiency?

When assessing the Group-wide ESG targets in 2021, improving recycling and waste management was deemed one of the main environmental focus areas for the whole Group. Targets and means naturally vary by business and industry.

By the end of 2022, all vessels owned by ESL Shipping will be equipped with ballast water treatment systems that meet the new environmental regulations. Furthermore, ESL Shipping aims to significantly increase the percentage of grey water pumped to shore reception facilities, targeting 100% rate by 2030.

Telko is working towards lowering its raw material waste percentage to well below industry average. All chemical and other waste is collected carefully and sent to waste handling to authorized companies.

For Leipurin, operating as part of the wider food chain, increasing material efficiency and reducing waste are key priorities. The goal of Leipurin is to reduce its environmental footprint especially by minimizing food waste and the volume of waste. Leipurin has significantly reduced its waste in recent years. This has been possible, for example, by improving the efficiency of procurement activities and holding monthly meetings between procurement, sales and quality. These actions have helped to accelerate the storage turnover rate.

Transition related risks (for example changed customer preferences or legislation): Do you anticipate any risks or opportunities due to the transition to a carbon neutral

society? Is there any risk of the firm's offer being negatively affected? If yes, how has the firm positioned itself to handle that risk?

Most of our operations have a relatively minor footprint and transition-related risks are estimated low. The Group's most energy intensive business, ESL Shipping, is an industry forerunner in the evolution towards fossil-free sea transports, and we see this as a clear opportunity.

Please disclose your Scope 1, 2 & 3 GHG emissions. If not available, do you have a time plan for when to start reporting?

Aspo Group	2021	2020	2019	2018	2017
tCO ₂ ²	238,963	221,511	238,805	161,350	93,714
Net sales	573,300	500,700	587,700	540,900	502,400
Aspo Group carbon intensity	0.42	0.44	0.41	0.30	0.19

The table above shows the Group's Scope 1 & Scope 2 emission development. Aspo is in the process of further developing its sustainability reporting. Scope 3 GHG emissions are not yet tracked.

Have you set a target to become carbon neutral? If so, how have you defined carbon neutrality?

ESL Shipping, our most energy intensive business, has set a target for net zero operations by 2050. In addition, it aims to reduce its CO₂ emissions by 50% by 2030.

For the whole Aspo Group, the key sustainability target is to reduce carbon intensity by 30% by 2025. By Q1 2022, we have achieved to reduce carbon intensity (CO₂e (tn) / Net sales (t€)) down to 0.39 from the 2020 baseline of 0.45. The target for 2025 is 0.30.

Please list the firm's (1-2) primary means of making a positive environmental impact or minimising negative environmental impact. Please list the corresponding most relevant UN Sustainable Development Goals. What proportion of sales can be directly linked to selected UN SDGs?

Through further investments in energy-efficient vessels and energy sourcing (LBG, hydrogen etc.), ESL Shipping is targeting to reduce its CO₂ emissions by 50% by 2030, and net zero operations by 2050.

The largest environmental impact of Leipurin and Telko, which operate in the fields of trade and logistics, come from elsewhere in the supply chain. As defined by Aspo's the goal of these businesses is to be the best and the most responsible partners for their customers and principals in their respective fields and to reduce emissions in the entire supply chain through their expertise.

The UN's Sustainable Development Goals that have been defined to be the most significant for Aspo and as goals on which Aspo can have the most impact:

- Good health and well-being
- Decent work and economic growth
- Climate action
- Partnerships for the goals

Social

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

Ensuring employee safety is one of our main sustainability targets: Key KPI is Lost time incident rate (Lost Time Injury Frequency Rate per Million person-hours). In 2021 the LTIF2 was 8.8 and the target for 2022 is 7.0. Long-term target is zero.

ESL Shipping's operations and all of its vessels are certified in accordance with the requirements of the International Maritime Organization's International Safety Management (ISM) code which provides an international standard for the safe management and operation of ships and for pollution prevention.

If applicable, please state your targets for gender and cultural equality and indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team.

41% of all Aspo Group personnel are women.

Three out of seven members of Aspo's Board of Directors are women.

Does the company conduct any other community engagement activities aside from those directly connected to the business?

As proposed by Aspo's Board of Directors, the Annual Shareholders' Meeting on April 6, 2022, authorized the Board to decide on contributions in the total maximum amount of EUR 100,000 for charitable or similar purposes, and to decide on the recipients, purposes and other terms of the contributions. In 2022, Aspo has donated 50,000 euros to the Finnish Red Cross Disaster Relief Fund for Ukraine.

How often does the firm conduct audits of its suppliers, and how often do you discover incidents not compliant with your code of conduct?

To ensure appropriate operating methods, Aspo's businesses monitor compliance with the Supplier Code of Conduct in various ways. For example, specific sustainability audits have been conducted by Telko since 2019. Warehouse audits conducted in partners' facilities are also part of Telko's toolkit to verify the compliance of its supply chain with regulations. In addition to on-site audits, a larger group of suppliers is monitored through self-assessment.

Many of the partners of ESL Shipping, Telko and Leipurin are large international companies, with which each of these businesses have been engaged in long-term cooperation and which have their own stabilized processes for the responsible management of supply chains. Aspo's Internal Audit and Legal Affairs departments also conduct audits within all businesses in accordance with annual plans. No major incidents of non-compliance have been discovered in recent years.

Governance

Do all staff members receive continuing education on anti-corruption? Is there an external whistle blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

Our Code of Conduct and Compliance trainings are mandatory for all personnel and are conducted yearly.

Since 2020, Aspo has been using a fully anonymous whistleblowing channel maintained by an external party. The system makes the processing of reported cases more effective and guarantees the anonymous and encrypted exchange of messages with the person who reported each case.

Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen.

Finland. Aspo is headquartered in Helsinki, Finland, and is listed on Nasdaq Helsinki stock exchange.

How many independent members sits on the Board of Directors?

All seven members of Aspo's Board of Directors are independent of the company. Five out of seven board members are independent of company's major shareholders.

Please state if and to what extent, the company has transactions with related parties.

Aspo complies with the legislation governing related party transactions, the Finnish Corporate Governance Code, and the rules and instructions of Nasdaq Helsinki Oy.

Aspo's related party transactions are described in Note 5.2 (Related parties) of the 2021 consolidated financial statements. Related party transactions are not significant for the company, nor do they differ from the company's normal business activities, and they have been carried out at normal market conditions.

Which KPIs dictate the remuneration to management (are sustainability and diversity goals included)?

In 2021, we published key environmental, social and corporate governance (ESG) themes and sustainability goals for Aspo and its businesses. The achievement of the sustainability targets will play an increasing part in Aspo's remuneration going forward, and during 2022 the main KPIs (carbon intensity and lost time injury frequency rate) will be included in the management remuneration.

Describe the company's process for monitoring and reporting ESG issues and performance to senior management/the Board. In you response please confirm what KPIs are monitored (if any) and how frequently reporting is undertaken.

Aspo reports on its key sustainability target on a quarterly basis as part of our interim reports. In addition, Aspo along with its businesses publishes an annual sustainability report detailing the progress made in our sustainability work.

Internally, the sustainability targets and performance are regularly assessed on a Group and business level by the Management teams and Board of Directors of Aspo and its subsidiaries. We are in the process of further developing our reporting and monitoring tools and continue to analyze the EU taxonomy requirements.

Have you signed a Union agreement?

A substantial part of Aspo's employees are members of trade unions, and several collective bargaining agreements have been made with these unions.