

# ASPO SUSTAINABILITY POLICY

Approved by Aspo Group's Board of Directors on December 16, 2024

## 1 Introduction

### 1.1 Background

Aspo believes that a socially, financially and environmentally sustainable business is a requirement for creating long-term value. Our sustainability work is based on the principles of internationally recognized and accepted conventions and agreements on the environment, human rights, working conditions and corruption, such as the UN Global Compact, and the UN Declaration of Human Rights.

This policy sets out the principles of how we integrate sustainability into our strategy and day to day business; from how we consider sustainability factors in our acquisition process, to our expectations on how our businesses address sustainability. This policy is linked to Aspo's Code of Conduct, which sets out the key principles of Aspo's responsibility as a company and guides us on how we are expected to operate and act in our daily work.

### 1.2 Scope

This policy applies to Aspo Group and all its businesses, with main focus on own operations and therefore excluding the upstream and downstream value chain. 'Aspo' in this policy refers to the Group as a whole, unless otherwise indicated by the context. Group subsidiaries should adopt this policy and adhere to its contents by also adopting any additional policy documents, processes and tools on a subsidiary level needed to appropriately manage opportunities and risks relating to the key sustainability themes in their respective businesses.

### 1.3 Purpose

The purpose of this policy is to ensure that Aspo lives up to the expectations of its stakeholders, including its owners, employees, customers, principals, government authorities and other stakeholders relating to adequately managing opportunities and/or risks in the areas of Environment, Social, and Governance-related issues.

## 2 Roles and responsibilities

Aspo's organization has clear roles and areas of responsibility to ensure that the ongoing sustainability work is as effective as possible:

### Aspo Board of Directors

The Board of Aspo is responsible for ensuring that the Group has appropriate sustainability measures in place, including adequate policies, guidelines and reporting processes. Group sustainability targets are presented to and approved by Aspo's Board of Directors. The Board should have at least one meeting a year to address compliance with this policy; review this policy and propose possible amendments; and review and approve the annual Aspo Sustainability Report.

### Group CEO

The Aspo Group CEO has overall responsibility for implementing the Group's sustainability work as part of overall strategy execution with the Group Executive Committee and is responsible for ensuring that the Group's operations are conducted in accordance with this policy. The Group CEO also ensures that this work is documented and reported to the Board of Directors of Aspo.

### Managing Directors of Aspo's businesses

As part of strategy implementation, the Managing Directors of Aspo's businesses are in charge of ensuring with their management teams that the respective business has appropriate sustainability measures in place, in accordance with this policy as well as establishing and implementing appropriate sustainability work for their company, including setting relevant, quantifiable targets, drawing up and implementing relevant policy documents and instructions, and reporting to the Aspo CEO.

### **Employees**

All Aspo employees are responsible for being familiar with, keeping up to date on and contributing to the compliance of this policy.

In addition, the roles and responsibilities related to the Corporate Sustainability Reporting Directive (CSRD) have been outlined in Aspo's Corporate Governance Statement.

## **3 Our approach to sustainability**

Aspo's Board of Directors has set a long-term target for the whole Group, according to which Aspo's businesses aim to be forerunners in sustainability in their respective sectors. Sustainability is also a key factor in guiding Aspo's management system and the process of investigating new investment opportunities.

Furthermore, Aspo expects all Group companies to act in accordance with the principles of internationally recognized and accepted conventions and agreements on the environment, human rights, working conditions and corruption such as the UN Global Compact, the UN Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. In the event that Aspo becomes aware that a subsidiary does not meet this expectation, prompt and constructive action is taken together with the subsidiary's management and Board to ensure that the issue is rectified.

We aim to continuously improve our sustainability work and support Aspo's businesses in their path to becoming forerunners in sustainability. Continual improvement in material sustainability areas is driven in a consistent and systematic way.

### **3.1 Main focus areas**

Aspo categorizes sustainability related factors into the three areas that are often used by investors: environmental, social and governance factors ("ESG").

Through a thorough double materiality assessment, Aspo has identified its material topics which all its businesses share, these include: climate change, own workforce and business conduct. The results of double materiality assessment and key sustainability focus areas are regularly reviewed, updated and evaluated to ensure that they remain topical and are in accordance with Aspo's strategy and business operations. More information on Aspo's material topics and key sustainability focus areas can be found in chapter 4.

Aspo and all its businesses share the following sustainability commitments:

- Growing our business while lowering pressure to the environment
- Improving Aspo experience for people in our value chain
- Driving sound governance practices at all levels

In addition to the material sustainability themes identified at the Group level, there are other factors that are material to Aspo's respective businesses. Each subsidiary shall therefore ensure that the management will, through a process that is appropriate for the specific company, identify, address, and monitor regularly the sustainability factors that are material to the company's business model and its stakeholders.

#### **3.1.1 Environment**

Aspo is mitigating climate change by striving to lower the CO2 emissions in all of its operations. All Aspo's businesses share the ambition to reduce emissions in the entire supply chain, improve energy efficiency and deploy renewable energy when operationally and financially feasible.

Aspo wants to ensure that climate-related targets are based on scientific evidence. Thus, Aspo will seek formal validation of its climate targets through Science Based Targets initiative (SBTi).

### **3.1.2 Social**

Aspo and all its businesses are committed to improving Aspo experience for people in our value chain. Aspo is committed to respecting human rights in line with the United Nations Guiding Principles on Business and Human Rights. We promote decent working conditions. We do not tolerate the use of forced or child labour under any conditions.

Aspo is committed to non-discrimination, diversity and inclusion, as described in detail in the Aspo Code of Conduct and in the Diversity, Equity and Inclusion (DEI) Policy. Aspo aspires to advance gender equality also in terms of equal pay.

Aspo fosters employee safety and well-being and only works with business partners that share our commitment to health and safety. Also these principles are described in detail in the Aspo Code of Conduct. Aspo also aims to provide secure employment and training and skills development, maintain fair working time and foster work-life balance and employment and inclusion of persons with disabilities.

### **3.1.3. Governance**

Aspo and all its businesses are committed to driving sound governance practices at all levels. Aspo has zero-tolerance for corruption and bribery. We compete vigorously, yet fairly and ethically, and within the framework of applicable competition laws.

Aspo is committed to making business in a fair and ethical way, therefore Aspo provides an opportunity to report suspicions of misconduct. Aspo's approach to protecting whistleblowers is addressed in detail in Aspo's Whistleblowing Policy. Aspo's Code of Conduct guide the Group's operations as a responsible employer. Aspo respects the freedom of association of employees and complies with local laws in each operating country. In emerging markets, in particular, Aspo aims to lead the way and spread sustainable operating methods.

## **3.2 Sustainability in M&A**

Acquisitions are a key part of Aspo's value creation, and sustainability forms an integral part of our acquisition process and ownership agenda. During the target-mapping phase, we evaluate potential acquisition targets based on financial performance and strategic fit. When evaluating the strategic fit, sustainability related factors are of key importance, and we aim to understand the company's material sustainability factors, assess how they may affect the company's future business model and ensure that the company has the ability to manage them satisfactorily over time.

Sustainability is evaluated both in terms of evaluating:

- Target performance across Aspo's key sustainability themes and Aspo's opportunities to contribute to the potential target's ESG performance
- Impact on Aspo's opportunity to reach set targets

Our findings may result in us not investing in a company if we deem the sustainability risks to be too complex or costly or if we assess that the business model is not or cannot become sustainable in the long term.

## 4 Monitoring and reporting

Aspo shall set relevant goals and targets for Aspo's sustainability work and use appropriate performance indicators to systematically measure, monitor and report the work done and the progress towards each target. Targets can be set for both the short and long term, but since the area of sustainability is rapidly evolving, Aspo shall periodically review the relevance of the targets and adjust them, if needed.

Because Aspo's businesses differ from one another, target setting is based on business-specific materiality assessments, stakeholder interviews and benchmark analyses.

The sustainability work and progress made towards the targets are addressed both in Aspo interim and as part of the annual report in the Sustainability Statement, which is published in accordance with the requirements set out in the Finnish Accounting Act and Corporate Sustainability Reporting Directive (CSRD) – 2022/2464/EU. Aspo's sustainability report is approved by Aspo's Board of Directors.

## 5 Related documents

In addition to the Aspo Sustainability Policy, sustainability program development at the Group level is done with the support of Aspo Code of Conduct, DEI policy, antibribery and corruption policy and whistleblowing policy.

Furthermore, the annual Code of Conduct training is mandatory for all Aspo Group personnel in addition to business-specific trainings related to, for example, health and safety. The Code of Conduct training must be completed every year.

Aspo's sustainability targets are available at: [www.aspo.com/en/sustainability/strategy-and-targets](https://www.aspo.com/en/sustainability/strategy-and-targets)

## 6 Contact details

The respective Managing Directors of Aspo's businesses are responsible for the general review and implementation of this policy in their operations.

With questions or need for assistance, please contact Aspo Communications.

## 7 Version history and control

This policy is to be reviewed annually by Aspo's Board of Directors and updated as required. Last updated: December 16, 2024.