

Sustainability at Pankaboard 2024

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CEO's foreword

At Pankaboard, we believe that sustainability is not an obligation – it is a mindset that guides both our daily decisions and long-term vision. With over 110 years of industrial heritage, our commitment to sustainable development remains strong.

As a global supplier of specialty carton-boards, Pankaboard is proud to serve customers around the world. At the same time, we recognize our role in the local economy – and our responsibility to ensure that our impact is both positive and lasting.

In this Pankaboard's voluntary sustainability report, we review the outcomes of 2024. We have consistently made targeted investments that, beyond their technical and economic value, have improved our energy and raw material efficiencies and strengthened the overall sustainability of our operations.

These efforts have led to tangible results, including the positive developments reflected in the updated life cycle assessments of our products, published in 2024.

At Pankaboard, we are proud to be a company where sustainability is deeply rooted in both our strategy and culture – shared by our owners, management, and every employee. Our sustainability journey continues, with concrete actions already taken in 2025, that will further increase our positive impact.

Thank you for your interest in Pankaboard's sustainability work. We look forward to continuing this journey together!



Pasi Piiparinen, CEO



About this report

This is Pankaboard’s fourth sustainability report, which covers the company’s sustainability performance for the year 2024. This report has been reviewed and approved by our Board of Directors on August 18, 2025.

This sustainability report is available only in digital format and it is part of our annual reporting. If you have any questions regarding our sustainability report or its content, please contact us through reply@pankaboard.com.

The reporting of data points in this report are based on the VSME standard – a voluntary European reporting framework for sustainability performance. The selection of reported data-points are based on “if applicable” –method and is guided by our double materiality assessment to ensure relevance to our company’s most significant impacts and stakeholder expectations.

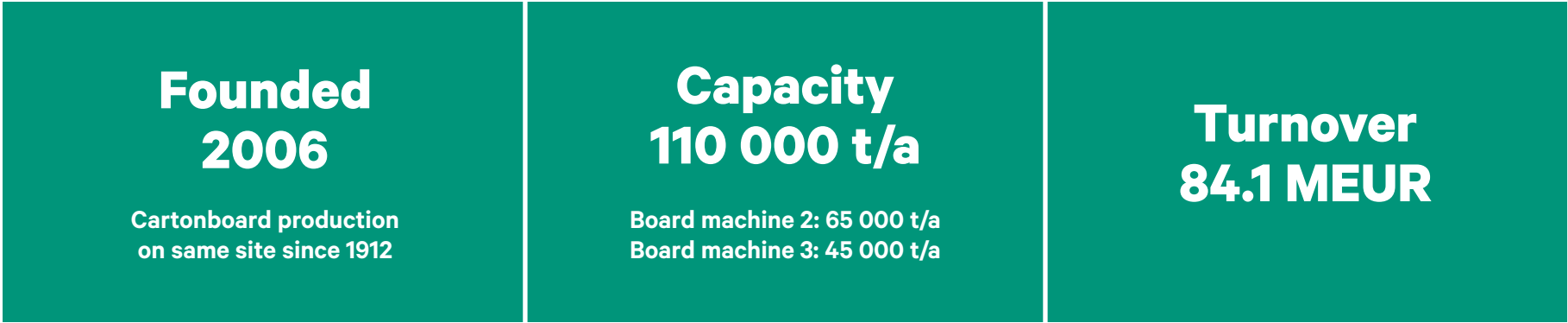


Glossary

- CSRD** – Corporate Sustainability Reporting Directive: EU directive setting detailed sustainability reporting requirements for companies.
- DMA** – Double Materiality Assessment: Process for identifying topics that are material from both financial and impact perspectives, as required under ESRS.
- ECHA** – European Chemicals Agency: EU agency responsible for implementing the REACH regulation and maintaining the SVHC Candidate List.
- EFRAG** – European Financial Reporting Advisory Group: Independent advisory body that develops the ESRS and VSME standards.
- ESG** – Environmental, Social and Governance: Framework covering key areas of corporate responsibility and sustainability.
- ESRS** – European Sustainability Reporting Standards: EU sustainability reporting standards developed by EFRAG, forming the basis for CSRD compliance.
- GMP** – Good Manufacturing Practice: System ensuring that products are consistently produced and controlled according to quality standards.
- LCA** – Life Cycle Assessment: Method for assessing environmental impacts throughout a product’s life cycle.
- OBA** – Optical Brightening Agent: Additive used to enhance the appearance of paper and board by increasing brightness and whiteness.
- REACH** – Registration, Evaluation, Authorisation and Restriction of Chemicals: EU regulation governing the safe use of chemicals.
- SVHC** – Substances of Very High Concern: Chemicals identified under REACH that may have serious effects on human health or the environment.
- VSME** – Voluntary Sustainability reporting standard for SMEs: Simplified reporting framework developed by EFRAG for small and medium-sized enterprises, based on ESRS principles.

About Pankaboard

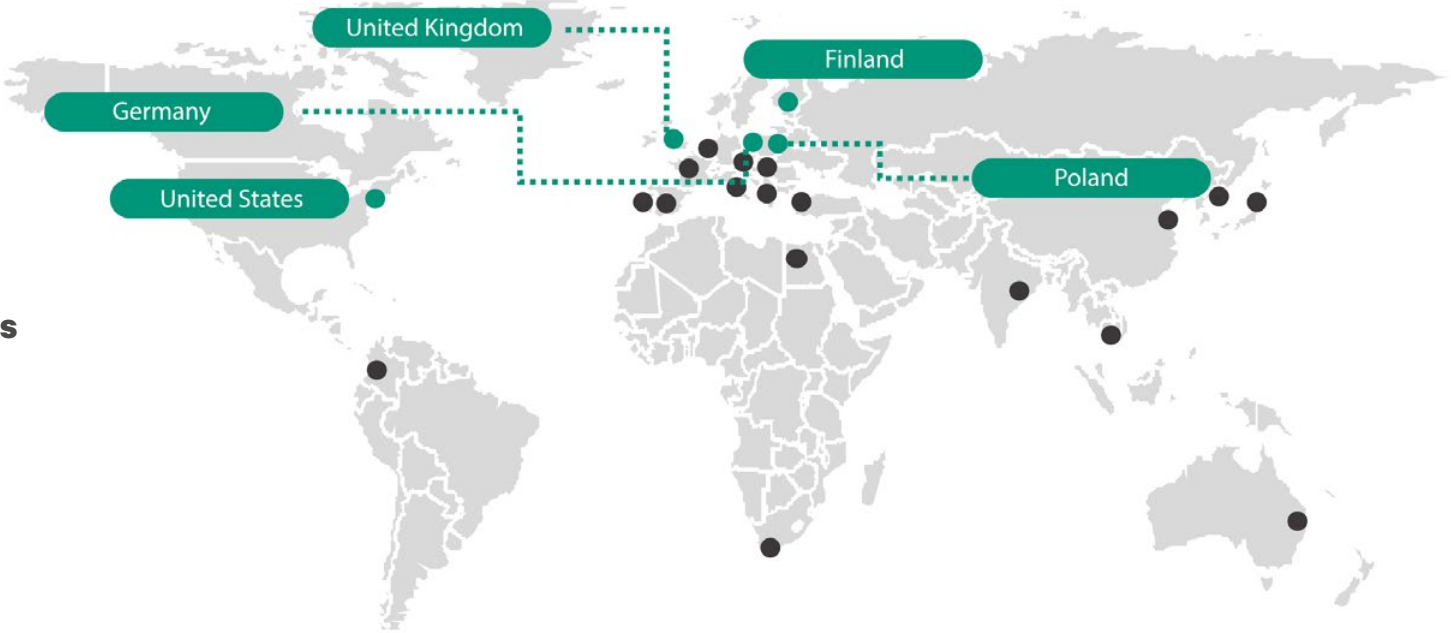
Pankaboard in a nutshell



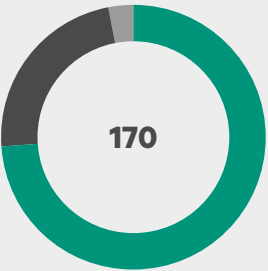
5
sales offices

65
delivery countries

600
customers



Personnel



Blue collar	74%
White collar	23%
Management	3%

Geographical split



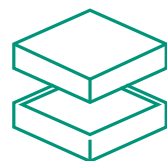
Europe	75%
Oversea	25%

Product split



FBB	44%
Specialities	20%
Plex	10%
WPB	9%
SBS	9%
Kraft	8%

Areas of activity



Packaging

Fresh fibers
White & Kraft
Folding cartons
Rigid packaging



Materials for food processing

Capseals
Food underlays
Tray applications and skinpads



Interior

Picture framing
White core
Cream core
Archival



Visual communication

Core material for high end
display laminates
Coaster materials

Company management

Pankaboard board of directors in financial year 2024

Dan Karlsson Chair of the board
Ian Halliday Deputy chair of the board, until May 2024
Mikko Heinonen Deputy chair of the board, since May 2024 Member of the board, until May 2024
Aarne Luukko Member of the board
Lennart Simonsen Member of the board
Jari Tikkanen Member of the board, since May 2024
Leif Frilund Member of the board, since May 2024

Pankaboard management team in 2024

Pasi Piiparinen CEO
Tiina Staljon CFO
Petri Saastamoinen SVP Operations
Arto Pekkarinen VP Supply Chain
Christer Nordman VP Sales Development, Marketing & Products

Strategy, vision and values

Pankaboard specializes on high-quality virgin fibre speciality cartonboards, striving to be the first choice for our customers through sustainability and innovation. We actively explore new end uses for our products and aim to strengthen our sales network in core markets to achieve growth above market rate. Our operational performance is driven by targeted investments that enhance our capabilities and efficiency. We also continuously assess opportunities for growth potential through mergers and acquisitions. All of this is founded on Pankaboard’s core values, which guide our long-term success and partnerships.

Strategy

- Aiming to be our customers’ first choice in targeted market segments
- Seeking focused growth through innovation and excellence

Vision

- Global leader in sustainable and innovative virgin fibre specialty cartonboards

Core values

- Sustainable profitability
- Openness and trust
- Agility and continuous improvement
- Stakeholder collaboration for mutual benefit

Pankaboard sustainability management

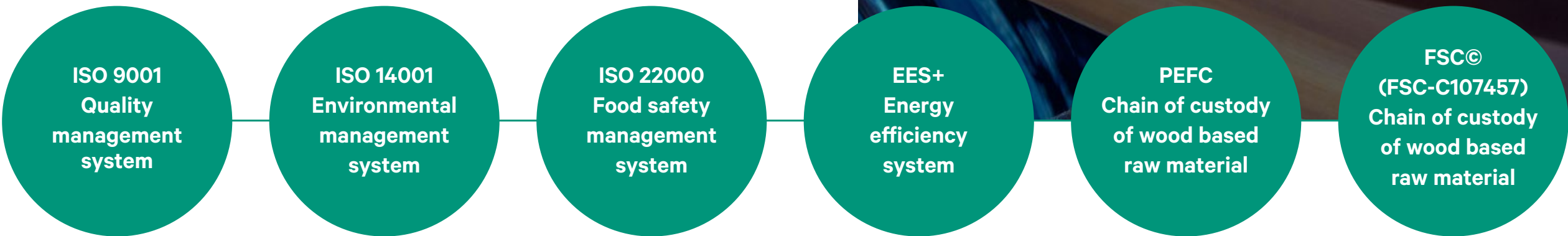
Sustainability approach

Packaging plays a key role in protecting products, extending food shelf life, and minimizing waste and environmental impact. Fibre-based packaging is recyclable, and smart, lightweight designs reduce transport emissions.

At Pankaboard, sustainability is embedded in all operations. We focus on reducing CO₂ emissions, applying circular economy principles,

and producing recyclable, renewable virgin fibre cartonboards that are responsibly sourced and fully traceable.

We comply with all applicable laws and maintain full material traceability, supported by external legal expertise to ensure alignment with evolving regulations. In 2024, we had no reported compliance issues.



Our certified management systems guide our continuous improvement, legal compliance, and responsible sourcing.

Double materiality assessment

Pankaboard, in collaboration with consulting firm Ramboll, conducted a double materiality assessment between May and December 2023 to align with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The aim was to strengthen sustainability reporting and integrate new insights by identifying key environmental, social, and governance impacts, risks, and opportunities across the value chain and among stakeholders. In 2024, a process was initiated to review and eventually update the assessment. The analysis was comprehensively reviewed and updated with Ramboll at the beginning of 2025 to reflect evolving ESRS requirements.

Due to the EU Omnibus proposal initiated in February 2025, Pankaboard is currently outside the scope of the CSRD. Instead, we use the VSME for our sustainability reporting. The VSME was developed by EFRAG, the same body that created ESRS, which forms the basis of CSRD reporting. Based on the identified material topics, this report includes a summary of relevant datapoints in line with the VSME standard.



Key themes

Building on the insights from the double materiality assessment (DMA), Pankaboard has identified key sustainability themes that reflect the most relevant environmental, social, and governance (ESG) impacts, risks, and opportunities in our operations and value chain. The selection of these themes is not only based on the DMA, but also on regulatory requirements and expectations of our stakeholders.

In addition, the themes reflect the strategic direction set by our Board of Directors and management, who recognize sustainability as a driver of long-term value creation and resilience. At Pankaboard, we aim to lead by example in areas where sustainability can provide advantages in the market.

Environmental impact category	Description
Cooperation with customers	We enable our customers to achieve their sustainability targets by operating under certified systems and a culture of compliance and continuous improvement. Through responsible practices and close customer cooperation, we contribute to reaching their goals.
Desired employer	We ensure a healthy and safe working environment. Engaged and satisfied employees are key to our success, and we continuously strive to improve their well-being.
Fossil carbon reductions	We actively reduce CO ₂ emissions from our operations and products, supporting climate change mitigation. We assess and manage environmental impacts throughout the entire product lifecycle.
Sustainable products	Our products are designed for a low carbon footprint and made from sustainable raw materials, ensuring resource efficiency and responsible sourcing.
Ethical business and governance	We are committed to ethical and sustainable business practices, guided by our Board-approved Code of Conduct and Supplier Code of Conduct. These outline clear standards for ethics, human rights, anti-corruption, and sustainability. Alongside our Operational Policy, they direct our daily operations and are regularly reviewed by senior management. A whistleblowing channel enables employees and partners to report misconduct confidentially or anonymously.
Fair business	We have zero tolerance for corruption and bribery. We ensure fair competition and full legal compliance in all agreements and reporting. Financial and non-financial data are accurate and transparent. We do not participate in political activities or donations.
Fair treatment of people	We respect human rights and promote fair treatment, diversity, and inclusion across our operations and value chain. Discrimination is not tolerated. We support an inclusive, respectful work environment and engage positively with local communities.
Data security	Data protection and information security are vital to our operations. We invest in safeguarding privacy and maintain a strong security culture supported by clear policies. Our Board of Directors oversees strategic direction and resourcing of data security.





Stakeholder value creation

We engage actively with our stakeholders to understand their needs, assess our impacts, and improve our operations. Open dialogue is essential to building a sustainable and profitable business.

We regularly review stakeholder feedback and update our stakeholder analysis annually at the senior management level.

Stakeholder group	Expectations	Key actions
Employees	Safe working environment, meaningful jobs, stable employment, skills development, complying with working agreements.	Ensure occupational safety, invest in training through induction and competence development, retain skilled workforce, provide a supportive workplace, support employees' leisure activities, regularly survey job satisfaction with transparent results
Owners & investors	Profitability, dividend income, value growth, sustainable business.	Maintain financial performance, enable regular dividends, secure risk management processes, enhance company value through strategic actions and continuous improvement, and ensure transparent and sustainable reporting.
Customers	High-quality, sustainable and safe products delivered on time and reliably.	Develop products in collaboration with customers, ensure quality control, ensure delivery reliability, ensure good communication.
Raw material suppliers & service providers	Reliable partnership, fair, transparent and efficient business operations.	Establish long-term partnerships, set clear criteria for quality and audits, encourage innovation. Commit to Pankaboard Supplier Code of Conduct.
Energy providers	Reliable, efficient collaboration; cost-effectiveness, sustainability.	Optimize energy efficiency, reduce environmental impact, use fossil-free energy, ensure continuous supply.
Authorities & regulators	Compliance with laws, permits, safety, and environmental standards.	Active cooperation, follow regulations, improve safety and environmental practices, communicate and report transparently.
Community	Employment, safety, and positive local impact.	Engage with local communities, support infrastructure and services, minimize disturbances.
Finance & insurance	Reliable and long-term business partner with risk management in place.	Secure risk management processes, support investment and development, ensure financial stability, ensure transparent and sustainable reporting.
Industry associations & NGO's	Active and constructive participation, compliance with industry standards.	Contribute to industry development, follow best practices, support sustainability initiatives.
Research & education partners	Cooperation in innovation and knowledge development.	Common R&D projects, apprenticeship contracts, student and trainee collaboration, promote innovation and new practices.

Sustainability roadmap

The key topics identified in the double materiality assessment have shaped Pankaboard’s concrete sustainability roadmap for the coming years.

The roadmap is aligned with the latest European Sustainability Reporting Standards (ESRS), which require companies to set out clear action plans, measurable targets and performance indicators for material topics.

This approach ensures that our planning is both based on results of the double materiality assessment and aligned with ESRS guidance.

Environmental - Growing from a thriving forest

- We support sustainable forest management
- We reduce our carbon footprint
- We build sustainable circular economy

Social – We succeed together

- We take care of health and safety throughout the value chain
- We communicate, listen and engage

Governance – Sustainable and profitable business

- We have transparent corporate culture
- We lead with knowledge

Our sustainability roadmap has been grouped under seven main themes in Environmental (E), Social (S) and Governance (G) sections.





Product responsibility

Life Cycle Assessment

Climate change is a major global challenge, and at Pankaboard we are committed to reducing our carbon emissions by improving energy and material efficiency, using renewable, fossil-free energy, and producing low-carbon products.

To reduce our products' carbon footprint, we must first understand their current impact. That's why in 2024 we conducted the latest Life Cycle Assessment (LCA) covering all products on either product or product group level, including the new PankaKraft products which were previously unassessed, to guide our upcoming improvement efforts.

Compared to the previous LCA calculation completed in 2022, product specific emissions per produced ton have decreased by 18-48%, mainly due to cleaner energy sourcing, updated product compositions, and more accurate – often lower – emission data for raw materials and chemicals.

Pankaboard LCA reports*

Product level assessments

- Folding boxboards (FBB):
 - PankaBrite
 - PankaLux
- Kraftboards:
 - PankaKraft Amber
 - PankaKraft Polar

Product group level assessments

- Woodpulp boards (WPB)
- Specialties
- Solid bleached boards (SBS)

* Specific LCA and other environmental performance reports are available on request, please contact Pankaboard sales for more information

Product safety

Pankaboard is fully committed to product safety and continuous improvement. All our raw materials are approved for direct food contact and thoroughly assessed for any potential health risks. We ensure that no substances listed on the REACH Substances of Very High Concern candidate list – published and maintained by the European Chemicals Agency (ECHA) – are used in our products. Our products undergo regular external specialist testing to comply with key EU and US food safety standards. We take all complaints seriously, investigating each case thoroughly and using the findings and feedback to drive improvements.

Food safety is monitored through compliance testing, recall testing, customer feedback, and internal audits. We conduct risk assessments, maintain full traceability of all raw materials and additives, and follow up product safety regulations. In 2024, our food safety management system met all regulatory requirements.

Cleanliness

- We follow good manufacturing practices (GMP)
- We follow strict hygiene practices which are also required from subcontractors
- We use 100% fresh fibers & clean water

Odor and taint

- Our products are certified for direct food contact
- Our products have Robinson test result max 1.5 for one year

Purity

- Our products are free from optical brightening agents (OBA)
- Our products are microbiologically pure and have no contaminants

Operational excellence

Value chain

In 2024, Pankaboard focused on further enhancing agility and efficiency across our value chain, recognizing these as essential for sustainable and responsible operations. Our commitment to ethical sourcing and human rights applies equally to our own operations and to all suppliers, including tier 2.

Pankaboard took broad preparatory measures for the European Union Deforestation Regulation (EUDR) during 2024. As the regulation’s enforcement was postponed to December 30, 2025, implementation was deferred, but we remain well-prepared for compliance and future traceability demands.

Human rights & labor standards	Responsible sourcing	Certified and traceable materials	Material Efficiency
<ul style="list-style-type: none">• Commitment to key frameworks: ILO Declaration, International Bill of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights• Fair, safe, and inclusive working conditions and compliance with local labor laws on wages, hours, and minimum age• Promotion of equality, diversity, and equal pay for equal work	<ul style="list-style-type: none">• All suppliers must follow our Supplier Code of Conduct; we do not engage with those who violate human rights or other core principles.• Supplier performance is monitored via audits, testing, surveys, and quality reviews• Environmental, social, and economic criteria are embedded in all purchasing decisions	<ul style="list-style-type: none">• Chain of custody certifications under PEFC and FSC® (FSC-C107457), verified through regular third-party audits• All raw materials are 100% traceable and certified• Traceability systems are actively maintained and tested to ensure compliance and transparency	<ul style="list-style-type: none">• Products consist of over 90% organic fibers and are fully biodegradable and recyclable• Efficient use of raw materials and water reduces environmental impact• Light-weight products support lean, cost-effective supply chain



Energy

Cartonboard production is energy-intensive, with drying being the biggest consumer of energy in the process. At Pankaboard, thermal energy for this purpose is generated at on-site biofuel plant, primarily from locally sourced biofuels and internal waste streams, such as wood bark from pulp production and recovered fuel (REF).

Energy efficiency is a core criterion in all Pankaboard’s sourcing decisions, investment planning, and daily operations. Our energy efficiency management system follows a structured and documented energy planning process, which identifies and implements concrete actions to enhance efficiency across all our operations.



Our continuous energy efficiency improvement process

Pankaboard’s systematic approach led to the achievement of the Energy Efficiency System (EES+) certificate in 2023. In 2024, we continued to improve our energy efficiency through disciplined implementation and continuous development. As a result, our specific energy consumption (MWh/t) decreased in 2024 by 4.5% compared to the previous year.

Energy Efficiency Team, led by the SVP Operations, is responsible for monitoring and promoting compliance with EES+ requirements. The team oversees the energy planning process and its continuous improvement, sets and tracks energy efficiency targets, and ensures that energy-related training and communication are effectively delivered to all personnel.

Water

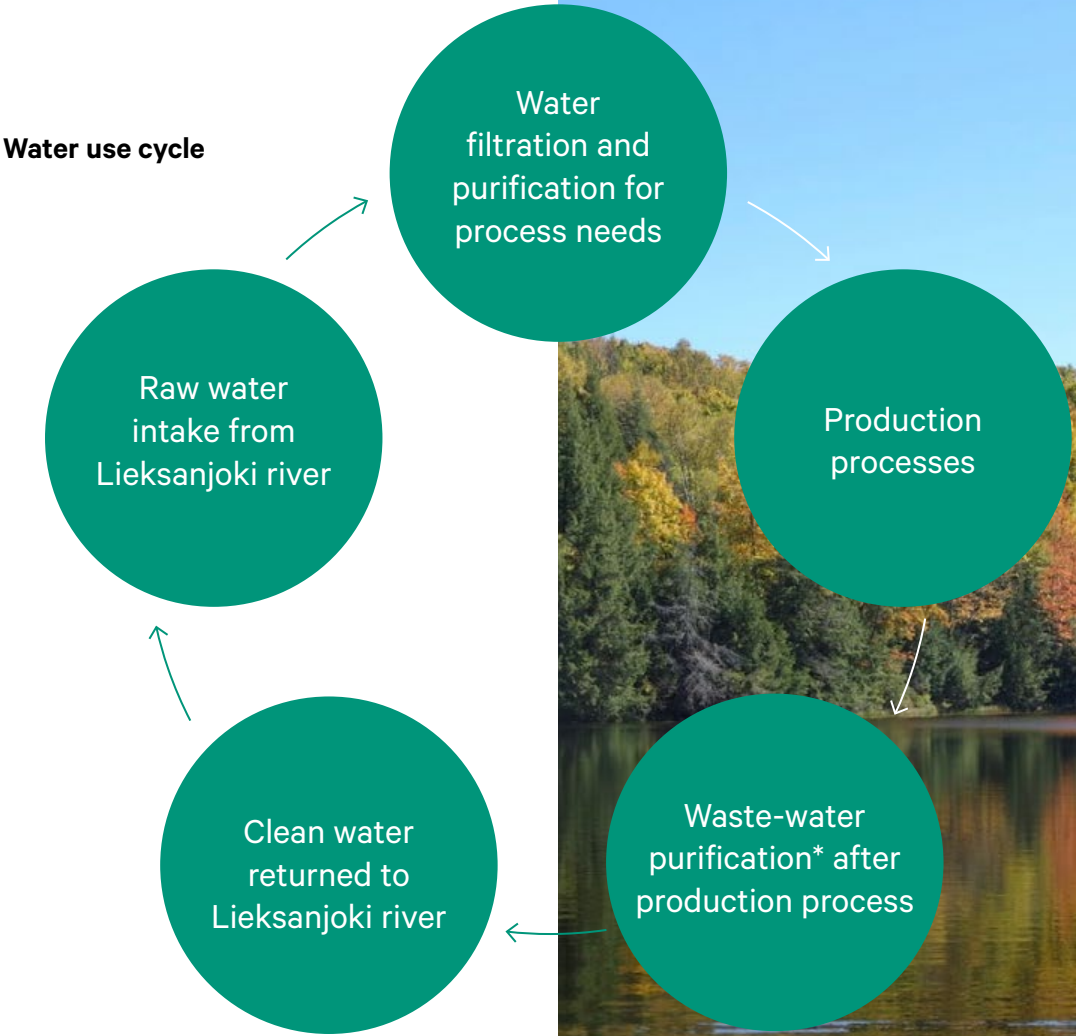
Cartonboard production is water-intensive, requiring substantial raw water input and generating wastewater. As such, water is a critical resource in Pankaboard’s operations and one of the most significant environmental aspects of our production.

We are committed to minimizing our raw water use and continuously improving our water efficiency in our processes. Our process water is primarily taken from the Lieksanjoki river, and it is filtered and purified to meet the production requirements.

Most of the water is used directly in production processes. After its use, the process water is carefully treated and purified before returning the clean water back to the Lieksanjoki river – to meet or exceed strict environmental standards.

Through responsible water management and close collaboration with environmental authorities and local stakeholders, we ensure transparency and the ongoing protection of local waterways. Pankaboard is constantly monitoring wastewater properties and reporting to authorities.

Water use cycle



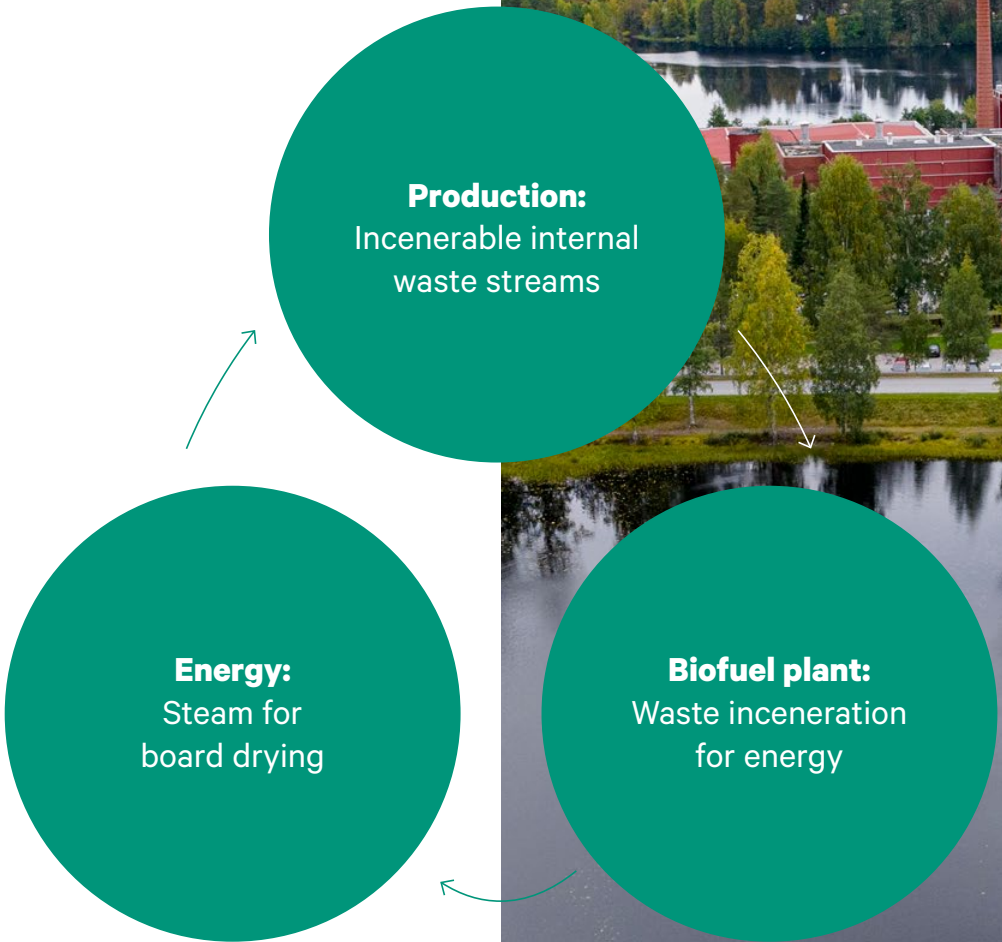
** Pankaboard's wastewater purification process is a multi-stage process including mechanical, biological, and chemical treatments to remove solids and nutrients, followed by thorough aeration and clarification.*

Waste

Circularity is a guiding principle in all Pankaboard’s operations. We aim for maximum material efficiency, ensuring that no waste from our production ends up in landfill. All sidestreams and production residues are carefully sorted, reused, recycled, or recovered for energy.

Through efficient resource use and circular practices, Pankaboard constantly aim to reduce its environmental impact while improving operational efficiency.

Every material is seen as a resource – not as waste.



Circular economy summary 2024



Energy management

- Heat recovery and reuse systems in production for enhancing energy efficiency and reducing waste
- Energy efficiency improvement 4.5% since 2023 (in MWh/t)
- 95% of total electricity consumption from sustainable and fossil-free renewable sources
- 19% decrease in total CO₂ emissions since 2023
- 30% decrease in CO₂ emissions per produced tonne since 2023



Material management

- Products designed for circularity, and compliant with the EU Packaging and Packaging Waste Regulation (PPWR)
- 100% certified virgin fibers (FSC® or PEFC)
- 100% raw material traceability
- 100% product recyclability, designed for compliance with existing European collection and recycling infrastructure, and serve as a valuable raw material for recycled carton-board production (cartonboard recycling rate in EU is over 80%)
- Transport packaging designed for recyclability



Sidestream management

- All production sidestreams 100% utilized
- Minimization of sidestreams:
 - Generated waste relative to production reduced by 14.5% from 2023 to 2024
- Main end-use routes for sidestreams:
 - Energy recovery
 - Recycling
 - Reuse
- Over 10 000 t of incinerable material collected for energy production - including pulp production residues, cartonboard production waste and dried sewage sludge
- Over 7 GWh of energy production (steam) on-site



Water stewardship

- Closed water loops in production for optimal water usage reducing need for fresh water intake
- Raw water consumption per tonne of produced cartonboard decreased by 11% since 2023
- Process water carefully treated and purified before returning the to local water systems
 - 100% meeting or exceeding regulatory requirements

Key performance indicators

Aspect	Target 2024	Progress 2024
Water consumption	10% reduction in surface water intake per production ton by 2024 (baseline: 2017)	2024: 0% compared to baseline.
Energy consumption	5% reduction in energy consumption in MWh per production ton by 2025 (baseline: 2015)	2024: 15,7% reduction (baseline: 2015)
Carbon emissions	95% of total energy use to come from renewable energy sources	2024: at the target level 95%
Engagement and wellbeing	Achieve >50% employee response rate in wellbeing survey	2024: 38%
Safe working environment	Zero lost time accidents annually (LTA)	2024: 2 LTA
Customer satisfaction	Net Promoter Score (NPS) above 50 in annual customer survey	2024: NPS 53
Supplier commitment to sustainabilit	Supplier Code of Conduct approved by >80% of suppliers and service providers	At the time of publication of this report 67%



Material topics

Pankaboard has identified material environmental, social, and governance (ESG) topics in accordance with the European Sustainability Reporting Standards (ESRS), based on the double materiality assessment. This assessment considered both the impacts of our activities on people and the environment, and how sustainability-related risks and opportunities affect our business.

Environment

1. Climate change

- E1.1** Transition plan for climate change mitigation
 - E1.2** Policies related to climate change mitigation and adaptation
 - E1.3** Energy
- Pankaboard’s operations rely on wood raw materials, water and energy, and we are actively addressing the potential impacts of climate change on their availability.
 - Climate risks (transit risks and physical risks) can affect Pankaboard’s business, but we mitigate them by strengthening supply chains and preparing for evolving regulations.
 - Energy availability and pricing have a major influence on Pankaboard’s operations and value chain, which is why we focus on energy efficiency and resilient sourcing.

2. Pollution

- E2.1** Air pollution
 - E2.2** Water pollution
- Pankaboard operates under a strict environmental permit, ensuring continuous monitoring and transparent reporting of emissions to air and water to authorities.

3. Water and marine resources

- E3.1** Water
- Pankaboard’s production is water intensive, yet our location near abundant, high-quality water resources provides a clear competitive advantage.

4. Biodiversity and ecosystems

- E4.1** Direct drivers of biodiversity loss
 - E4.2** Impacts on the status of species
 - E4.3** Impacts on the extent and condition of ecosystems
- The main raw material for Pankaboard production is wood. Biodiversity and healthy forest ecosystems are essential for our business.
 - Safeguarding wood availability and quality is central to our long-term competitiveness.



Social

1. Own workforce

- S1.1** Working conditions
- S1.2** Equal treatment and equal opportunities for all

- Pankaboard's success is built on a skilled and motivated workforce. Despite the challenges of our location, we are committed to attracting and retaining top talent.
- Constructive collaboration between employer and employees is essential to our business. Pankaboard ensures continuous dialogue with employee-elected representatives.
- Employee wellbeing and skills development are key to Pankaboard's competitiveness and employer image. We consistently ensure that legal requirements are effectively implemented as part of responsible business conduct.

2. Workers in the value chain

- S2.1** Working conditions

- Pankaboard's supply chains extend to countries where human and labor rights require continuous attention. We are committed to promoting fair working conditions and responsible practices throughout our value chain.
- Pankaboard is continuously strengthening its processes to improve visibility, address risks early, and ensure respect for human and labor rights, protecting both people and our reputation.

Governance

1. Conducting a business

- G1.1** Business culture

- Corporate culture and management play an important role in operations and profitability. Strengthening and evolving culture is a long-term effort that supports sustainable performance.

VSME – Introduction

VSME is a simplified sustainability reporting standard developed by EFRAG for small and medium-sized enterprises, based on ESRS principles. It ensures that SMEs can contribute to the achievement of the EU’s sustainability goals. VSME is recommended by European Commission to serve as a response to information requests from large companies falling under the scope of CSRD.

CSRD is mandatory and comprehensive framework for large companies, while VSME is optional, designed for small and medium-sized enterprises – standards are not directly comparable with each other.

The standard follows the “if applicable” principle and does not include a double materiality assessment. This principle means that a disclosure requirement in accordance with the standard is only relevant if it relates to the company’s operations, industry, or business environment.



VSME – Modules

<p>Basic Module (B) provides basic information and is the minimum requirement for preparing a sustainability report</p> <ul style="list-style-type: none">• General information<ul style="list-style-type: none">- B1 Basis for preparation- B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy• Environmental<ul style="list-style-type: none">- B3 Energy and greenhouse gas emissions- B4 Pollution of air, water and soil- B5 Biodiversity- B6 Water- B7 Resource use, circular economy and waste management• Social<ul style="list-style-type: none">- B8 Workforce – General characteristics- B9 Workforce – Health and safety- B10 Workforce – Remuneration, collective bargaining and training• Governance<ul style="list-style-type: none">- B11 Convictions and fines for corruption and bribery	<p>Comprehensive Module (C) provides additional information and expands the information of the Basic Module</p> <ul style="list-style-type: none">• General information<ul style="list-style-type: none">- C1 Strategy: Business Model and Sustainability – Related Initiatives- C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy• Environmental<ul style="list-style-type: none">- B3 Basic Module Extension - GHG reduction targets and climate transition- C4 Climate risks• Social<ul style="list-style-type: none">- C5 Additional (general) workforce characteristics- C6 Additional own workforce information – human right policies and processes- C7 Severe negative human rights incidents• Governance<ul style="list-style-type: none">- C8 Revenues from certain sectors and exclusion from EU reference benchmarks- C9 Gender diversity ratio in the governance board
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■ Relevant datapoints for Pankaboard based on double materiality assessment are highlighted (in green)

VSME – Reportable datapoints

General information – Basic Module

B1 Basis for preparation	Pankaboard's sustainability report complies with the EU's voluntary VSME sustainability reporting framework for SMEs. The purpose of the report is to demonstrate Pankaboard's commitment to sustainable business practices and to describe developments in key sustainability issues.			
24. (a) Scope of the report	The report has been prepared in accordance with the content of the basic and advanced modules of the VSME standard. According to the standard, the company is a medium-sized enterprise. Voluntary VSME reporting requirements have been excluded (e.g., sections where the phrase "The company may report..." appears).			
24. (b) Explanation for the omission of information classified as sensitive	-			
24. (c) Report prepared on an individual basis or on a consolidated basis	Consolidated basis			
24. (d) If consolidated sustainability report, the list of the subsidiaries including their registered address	Parent company: Pankaboard Oyj Ruukintie 2 81750 Pankakoski Finland 2048892-0 Subsidiaries: Pankakoski Mill Oy, Ruukintie 2 81750 Pankakoski Finland, 0920913-4 Pankaboard Deutschland GmbH, Stresemannallee 4B D-41460 Neuss Germany, DE 260 991 514 Pankaboard UK, The Old Cottage Hospital, Offices 6 and 7, Leicester Road, Ashby de la Zouch, LE65 1DB, United Kingdom, GB- 629361526 Pankaboard North American Corporation, 98 Fieldstone Rd Stamford CT 06902 USA, 81-3944805 Pankaboard Polska Sp. z o.o., City Space ul.Dziekońskiego 1 00-728 Warszawa Poland, PL5213690623			
24. (e) Financial statemenet data	The financial year is the year 2024. i. Company form: Unlisted public limited company ii. Industry: NACE 17.12 - Manufacture of paper and paperboard iii. Balance sheet (€): 43.8 million € iv. Revenue (€): 84,1 million € v. Number of employees: 166 vi. Location and offices: Ruukintie 2, 81750 Pankakoski, Finland; Bulevardi 7 A, 00120 Helsinki, Finland. The main area of operation is Europe.			
25. Information of sustainability-related certification or label	Pankaboard maintains recognized sustainability-related certifications to demonstrate our ongoing commitment to responsible practices: ISO 14001, FSC and PEFC, EES+ and ISO 22000 – also latest revisions of ISO 9001 encourage consideration of sustainability and climate-related aspects.			

B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy

26. (a) Practises		Do you have existing sustainability practices/ policies/future initiatives that address any of the following sustainability issues? Yes/No	Are they publicly available? Yes/No	Do the policies have any targets? Yes/No
26. (b) Policies on sustainability issues	Climate change	Yes (a, b, c)	Yes	Yes (d)
26. (c) Future initiatives or forward-looking plans	Pollution	Yes (a, b, c)	Yes	Yes (d)
26. (d) Targets	Water and marine resources	Yes (a, b, c)	Yes	Yes (d)
27.	Biodiversity and Ecosystems	Yes (a, b, c)	No	No
	Circular Economy	Yes (a, b, c)	Yes	Yes (d)
	Own Workforce	Yes (a, b, c)	No	Yes (d)
	Workers in the Value Chain	Yes (a, b, c)	Yes	Yes (d)
	Affected Communities	Yes (a, b, c)	Yes	No
	Consumers and endusers	Yes (a, b, c)	Yes	Yes (d)
24 Sustainability at Pankaboard 2024	Business conduct	Yes (a, b, c)	Yes	Yes (d)

General information - Comprehensive Module

C1 Strategy: Business Model and Sustainability – Related Initiatives

47. (a) Description of key products and services	Cardboard production: various packaging, graphic and industrial applications, and food use. The most important end-use products are food packaging and trays, capseals, coasters, and luxury beverage packaging.
47. (b) Description of the operating environment and markets	Pankaboard operates internationally in various markets, but its main market areas are Europe, Asia, and the United States.
47. (c) Description of stakeholders	Pankaboard's close stakeholders include its own personnel, value chain suppliers, and customers who purchase cardboard. In addition, Pankaboard works with various authorities, service providers, and local communities and organizations.
47. (d) Taking sustainability into account in strategy	Sustainability is taken into account in daily work, management, and procurement. Pankaboard's strategy aims to manufacture sustainable cartonboard products.

C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy

48. & 49. Description of sustainability measures, targets and initiatives		If you answered YES to existing practices/ policies/ future initiatives in disclosure B2, please briefly describe them along with their consequent actions. (In case the practice/ policy/ future initiative covers suppliers or clients, the undertaking shall mention it)	If you answered YES to future initiatives/ targets in disclosure B2, please specify them
	Climate change	Pankaboard Oyj's operating policy includes policies that comply with the certified management system standards ISO 9001, ISO 14001, EES+, ISO 22000 and the FSC and PEFC wood origin systems. We operate in accordance with legislation and our commitments, and we continuously monitor developments in these areas. Our goal is to be an internationally competitive and profitable company.	
	Pollution		
	Water and marine resources		
	Biodiversity and Ecosystems		
	Circular Economy	To fulfil our responsibility goals and customer commitments:	
	Own Workforce	- We respect the environment and reduce our ecological footprint by using raw materials responsibly. We ensure that all raw materials used in our processes come from legal, traceable sources that comply with the principles of sustainable development. We are committed to combating climate change by reducing emissions from our operations.	
	Workers in the Value Chain	- We guarantee the high safety level of our products by complying with food safety standards. Through continuous monitoring, we ensure that the products we manufacture are safe for consumers and meet food safety requirements.	
	Affected Communities	- We ensure that all raw materials and energy used in our processes are used efficiently, and we continue to develop material and energy efficiency on an ongoing basis.	
	Consumers and endusers	- We manufacture our products in accordance with standardised processes and deliver them as agreed. We ensure that the services we use in our operations are in line with our goals and principles.	
	Business conduct	- We ensure that every employee at our offices and in our supply chain understands our customers' requirements and acts in accordance with legislation and our principles of responsibility.	
		- Our goal is zero accidents at work. We care about the safety of our employees and comply with occupational safety regulations. We provide regular training for our staff and ensure that our working environment is safe for everyone. Our commitment to respecting human rights covers all our operations.	
	The above commitments are an integral part of our business and guide our daily operations and decision-making. Our goal is to continuously improve our performance in these areas. We regularly assess our performance and make the necessary changes to ensure that we fulfil our commitments to our customers, stakeholders and the environment. We also continuously develop our personnel, management, working conditions and processes to achieve our goals and improve the working atmosphere with a positive attitude.		

Environmental – Basic Module

B3 Energy and greenhouse gas emissions				
29. Energy consumption		Renewable	Non-renewable	Total consumption
	Electricity (MWh)	99 385 MWh	5 231 MWh	104 616 MWh
	Fuels	30 430 MWh	7 022 MWh	177 441 MWh
30. (a) & (b) Greenhouse Gas Emissions	GHG emissions (data 2023, calculated 2024)			
	Scope 1	-		
	Scope 2	-		
	Total emissions (covers Scope 1 and 2, Scope 3 upstream)		175 685 tnCO ₂ e, compared to 2023, absolute emissions decreased by 19.4%.	
31. Carbon intensity	2 089 tCO ₂ e/M€			
B4 Pollution of air, water and soil				
32. If the undertaking is already required by law or other national regulations to report to competent authorities its emissions of pollutants, or if it voluntarily reports on them according to an Environmental Management System, it shall disclose the pollutants it emits to air, water and soil in its own operations, with the respective amount for each pollutant.	The company reports polluting emissions into water and air to the authorities in accordance with its environmental permit.			
B5 Biodiversity				
33. The number and area (in hectares) of sites that is owned, leased, or managed in or near a biodiversity sensitive area.	The company has no holdings or management interests in areas sensitive to biodiversity or nature conservation areas.			
34. (a) total use of land (in hectares)	-			
34. (b) total sealed area	-			
34. (c) total nature-oriented area on-site	-			
34. (d) total nature-oriented area off-site	-			
B6 Water				
35. Water withdrawal	River water 2 469 002 m3, municipalaty water 32 759 m3			
36. Water consumption in process	Mill site total water withdrawal is monitored (see above), covering pulp production, cartonboard production, the biofuel plant, and other auxiliary activities.			
B7 Resource use, circular economy and waste management				
37. Circular economy principles and how company applies them	-			
38. (a) & (b) The total annual generation of waste broken down by type (non-hazardous and hazardous) and the total annual waste diverted to recycling or reuse	Non-hazardous waste 99,55 %, hazardous waste 0,45 %. Total waste in 2024 diverted to recycling or reuse 100 %.			
38. (c) Significant material flows used by the company (if relevant)	Not relevant			

Environmental - Comprehensive Module

B3 Basic Module Extension - GHG reduction targets and climate transition

54. (a) & (c) The target year and target year value and the units used for targets	Emission targets are set by environmental permit and specific reduction targets have not been assessed for 2024.
54. (b) & (d) The base year and base year value, the share of Scope 1, Scope 2 and, if disclosed, Scope 3 that the target concerns	Base year for reductions has not been set, but its level is evaluated on annual basis.
54. (e) A list of main actions it seeks to implement to achieve its targets	Specific action plan is business confidential.
55. If the undertaking that operates in high climate impact sectors ⁶ has adopted a transition plan for climate change mitigation, it may provide information about it, including an explanation of how it is contributing to reduce GHG emissions.	Not applicable.
56. In case the undertaking operates in high-climate impact sectors and does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt such a transition plan.	Not applicable.

C4 Climate risks

57. (a) Brief description of climate-related hazards and climate-related transition events	Climate-related hazards for Pankaboard include potential changes in the availability and quality of wood, constraints on water and energy supply, and supply chain disruptions from extreme weather events. Transition-related risks include stricter regulation, rising energy prices, and impacts from the ongoing energy transition across the value chain.
57. (b) Climate risks related to assets, operations and value chain	Pankaboard's assets, operations and value chain face risks from wood, water and energy availability, extreme weather, regulatory changes, and energy transition impacts such as price volatility and supply chain disruptions.
57. (c) Time horizons of any climate-related hazards and transition events identified	Climate related risks are considered to be medium to long term events.
57. (d) Climate change adaptation	Pankaboard has created a sustainability roadmap including concrete action plans.
58. Potential adverse effects of climate risks that may affect its financial performance or business operations in the short-, medium- or long-term, indicating whether it assesses the risks to be high, medium, low.	Climate change poses risks to Pankaboard's business through changes in the availability, quality and price of wood, potential constraints on water and energy supply, supply chain disruptions, increased regulation, and the effects of the energy transition, particularly energy prices and security of supply. While these risks are not expected to materialize in the short term, their likelihood increases in the medium to long term.

Social – Basic Module

B8 Workforce – General characteristics

39. (a) Type of employment contract (temporary or permanent)	Blue collar 74%, white collar 23%, management 3%
39. (b) type of gender	Women 17 %, men 83 %
39. (c) Country of the employment contract, if the undertaking operates in more than one country	Germany 3, UK 2, Poland 2, USA 1, Austria 1, Switzerland 1
40. Employee turnover (mandatory if at least 50 employees)	4,82 %

B9 Workforce – Health and safety

41. (a) The number and rate of recordable work-related accidents	Lost time accidents annually: 2 LTA
41. (b) The number of fatalities as a result of work-related injuries and work-related ill health	0

B10 Workforce – Remuneration, collective bargaining and training

42. (a) Whether the employees receive pay that is equal or above applicable minimum wage for the country it reports in, determined directly by the national minimum wage law or through a collective bargaining agreement.	Yes. Pankaboard complies with the minimum wage stipulated in the collective agreement, and all employees are paid at least the minimum wage.
42. (b) The percentage gap in pay between its female and male employees (headcount is below 150 employees; this threshold will be reduced to 100 employees from 7 June 2031)	38%. Pay levels are always based on the applicable collective agreement and requirements of the position. All employees in the same role receive equal pay regardless of gender.
42. (c) The percentage of employees covered by collective bargaining agreements	100%
42. (d) The average number of annual training hours per employee, broken down by gender	In 2024, in total 121 employees participated in external trainings leading to qualifications, completing a total of 873 training hours. This corresponds to an average of 7.2 hours per trained employee, with women averaging 7.5 hours and men 7.1 hours. Internal trainings are excluded from these numbers. Participation in trainings is based on job requirements.

Social - Comprehensive Module

C5 Additional (general) workforce characteristics	
59. Gender distribution of management level employees (if more than 50 employees)	6% women, 94 % men
60. Number of self-employed persons working exclusively for the company and persons employed through temporary agency work services (if more than 50 employees)	None
C6 Additional own workforce information – human right policies and processes	
61. (a) Does the undertaking have a code of conduct or human rights policy for its own workforce? (Yes/No)	(Yes). Pankaboard has code of conduct for its suppliers. Suppliers are required to comply with the company's supplier code of conduct. The supplier code of conduct covers the following topics: occupational safety, corruption and bribery, the environment, security, data protection, zero tolerance standard, forced labour and free movement, disciplinary measures, child labour and young workers, and discrimination.
61. (b) Coverage of human rights policy or similar guidelines (Yes/No)	i.child labour (Yes) ii. forced labour (Yes) iii. human trafficking (Yes) iv. Discrimination (Yes) v. accident prevention (Yes) vi. other? (No)
61. (c) Does the undertaking have a complaints-handling mechanism for its own workforce? (Yes/No)	The company has an anonymous reporting channel (whistleblowing channel) through which all our stakeholders can report suspected misconduct. Our company also has a complaint handling mechanism in place for company personnel.
C7 Severe negative human rights incidents	
62. (a) Does the undertaking have confirmed incidents in its own workforce related to: (Yes/No)	Our company has not observed any human rights violations among its own personnel in relation to child labour, forced labour, human trafficking, discrimination or accident prevention. Our company has also not observed any human rights violations concerning employees in the value chain, affected communities, consumers or end users. i. child labour (No) ii. forced labour (No) iii. human trafficking (No) iv. Discrimination (No) v. other? (No)
62. (b) If yes, the undertaking may describe the actions being taken to address the incidents described above	-
62. (b) Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users? If yes, specify.	No

Governance – Basic and Comprehensive Module

B11 Convictions and fines for corruption and bribery		
43. In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-corruption and antibribery laws.	0	
C8 Revenues from certain sectors and exclusion from EU reference benchmarks		
63. (a) Controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	None	
63. (b) The cultivation and production of tobacco	None	
63. (c) Fossil fuel (coal, oil and gas) sector	None	
63. (d) Chemicals production if the undertaking is a manufacturer of pesticides and other agrochemical products	None	
64. The company must disclose whether it is excluded from any EU reference indices that are aligned with the Paris Agreement.	No	
C9 Gender diversity ratio in the governance board		
65. Gender diversity ratio of the governance board	The Board	The Pankaboard Board of Directors has five members. The Board is elected for one year at a time, and members take turns stepping down. Women accounted for 0% of the Board in 2024.
	The Management Team	The Pankaboard management team has five members. Women accounted for 20% of the management team in 2024.



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