



KWH Group

# Sustainability Report 2025





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## A word from the CEO

In 2025, the KWH Group continued to intensify its sustainability efforts and further integrate ESG in our business development and governance. We are now further along in our development than we were a couple of years ago, and we are convinced that our decentralised model, combined with a clear, structured approach to sustainability, gives us both strength and flexibility. This model, combined with our support in governance and strategic direction, creates competitive advantages and long-term value across the entire Group.

This year's regulatory changes have also affected the operating environment. Under the EU Omnibus Package, the KWH Group is not yet subject to the CSRD/ESRS reporting requirements, which gives us further time before the formal requirements enter into force. Nevertheless, we have chosen to continue working largely in line with the standards and are therefore publishing the Group's second ESRS-inspired report for the 2025 financial year.

The business divisions have made concrete progress over the course of the year. Work on energy efficiency, resource-efficient solutions and improved health and safety has been further developed, and several of the subsidiaries have made clear progress in the circular economy and development of more sustainable products. They have also

enhanced staff skills through training and by continuing to develop their work on business ethics and governance issues.

It is encouraging to see that sustainability continues to be an integral part of the business divisions' strategies, rather than a separate initiative. In a time of global uncertainty, this work serves as a stable foundation and an opportunity to strengthen the Group's position and resilience.

In the coming years, we will continue to focus on our priority areas – particularly the environment, resource efficiency and our own workforce. We will also be developing our ESG governance framework so that we are well prepared when the reporting requirements enter into force. Through long-term responsible ownership, we create the conditions for our companies to grow in a sustainable way.

  
Kjell Antus



**Useat tytäryhtiöistä ovat edistyneet merkittävästi kiertotaloudessa**



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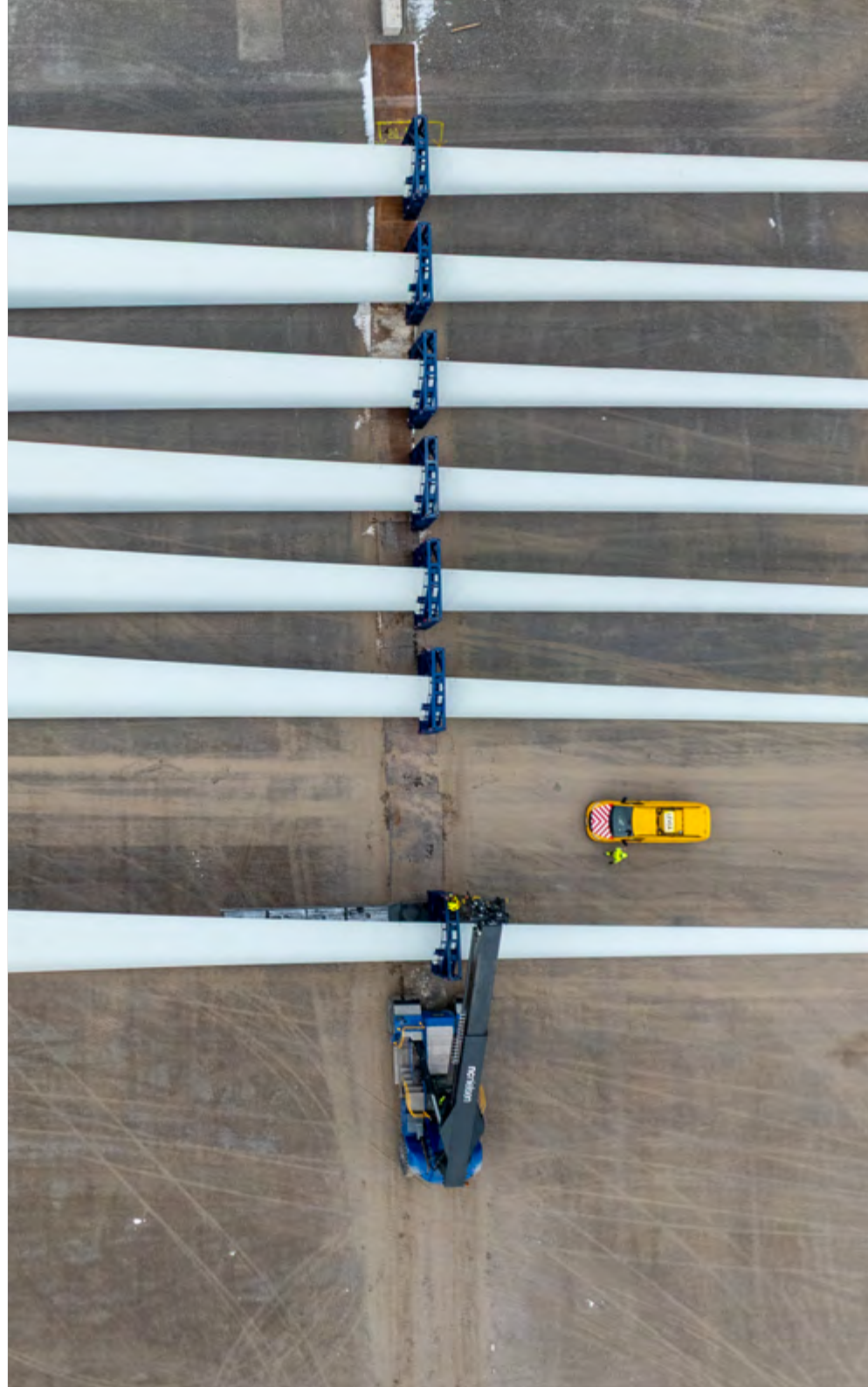
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## About the KWH Group

The KWH Group is an Ostrobothnian family-owned company with subsidiaries around the world. Since the 1920s, the Group has developed into a diversified industrial group in which the KWH Group has been involved for a long time and has contributed to its successful development, enabling the Group companies to become market leaders in their respective fields.

The Group currently consists of four independent business divisions which form sub-groups by sector: Mirka (abrasives), KWH Logistics (logistics services), KWH Freeze (cold storage) and the business development group KWH Invest with Prevex (building

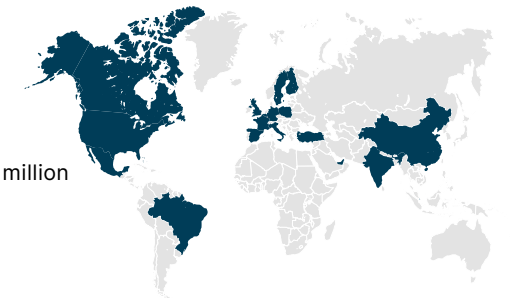
services installation products), as well as the management of shareholdings and properties. The majority of the Group is located in Finland, but it also has operations in Australia, Belgium, Benelux, Brazil, the United Arab Emirates, France, India, Italy, Canada, China, Mexico, the Netherlands, Poland, Singapore, Spain, the United Kingdom, Sweden, Turkey, Germany and the United States.

The KWH Group aims to achieve a position as a responsible owner company with a long-term focus. The goal is to be a competitive industrial group that promotes sustainable business models.

### KWH GROUP LTD

- Business structure: limited company
- Head office: Vaasa
- Net sales: EUR 631.0 million
- Net interest-bearing liabilities: EUR -80.5 million
- Equity: EUR 745.7 million
- Number of employees: 2,805

\* The figure is given in headcount (HC).





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## The report in brief

The cornerstones of the KWH Group's business model are deep commitment and an active presence in the business divisions to develop and create future-proof companies. The aim is to be a leading industrial group that drives innovation and develops sustainable business models. The strategy is focused on long-term value creation and establishing stable businesses in the industries in which the Group's business divisions operate. Sustainability is not just a competitive advantage. It is necessary to reduce the Group's environmental impact, manage risks associated with material sustainability matters, and contribute to democratic societies.

In 2024, the double materiality assessment that forms the basis of the KWH Group's sustainability reporting and ESG strategy was carried out. The assessment identified eight material matters, one of which is company-specific. This report is structured around these material topics and includes governance, metrics and related measures at both Group and company levels.

The KWH Group monitored the changes associated with the EU Omnibus proposal during the financial year. Previously, a key focus was on preparing the organisation to report in accordance with CSRD and ESRS from 2025. Despite the changes that have taken place, the Group decided to continue

reporting on sustainability and collecting sustainability data from its companies in 2025. The sustainability report is inspired by ESRS and includes the same data points as the 2024 report to ensure transparency and comparability. In addition to this, the Group has continued to pursue energy-efficient and resource-efficient projects and to ensure the health and safety of all employees. For example, Prevex has developed the capability to offer products that are 99% lead-free, with all packaging made from recycled plastic. Mirka has continued work on the CIGMA abrasive grain factory, which is scheduled to start operating in summer 2026 – an important step towards greater circularity within the Group. KWH Freeze and KWH Logistics have, among other things, invested in sustainability training and the development of sustainability strategies to enhance their work going forward.

At present, the business divisions have their own targets – primarily relating to the environment and their own workforce – towards which they are working. Going forward, the KWH Group plans to further intensify its efforts at Group level through the ESG Committee and set common targets for the material matters.

SELECTION OF METRICS 2025

## KWH Group



**Total GHG emissions**

Location-based (tCO <sub>2</sub> e)	<b>300,184</b>
Mmarket-based (tCO <sub>2</sub> e)	<b>301,472</b>



**Total energy consumption**

Total energy consumption (MWh)	<b>215,790</b>
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**Waste volumes**

Total volume of waste (tonnes)	<b>6,667</b>
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**Proportion of women**

Proportion of women in the total workforce **22%**



**Work-related accidents**

Number of work-related accidents (frequency)	<b>17.8</b>
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**Corruption incidents and judgments**

Number of convictions and fines for offences against anti-corruption and bribery laws	<b>0</b>
Number of confirmed incidents of corruption and bribery	<b>0</b>



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## Mirka

During the 2025 financial year, Mirka continued to develop and grow through strategic investments. The company acquired two new subsidiaries, one in Germany and one in Australia. The company in Australia was previously the authorised importer and distributor of Mirka products in Australia. Establishing a presence there is particularly significant and will play a key role in future expansion. This step marks an important milestone in Mirka's ongoing commitment to supply innovative, high-quality abrasives and sanding systems to customers worldwide.

Mirka had previously begun construction of the solar and geothermal energy farm in Oravais. This is a project that promotes energy efficiency and reduces the environmental impact. The farm was opened during the year, marking an important step in the company's sustainability efforts. Offering dust-free sanding products was a key focus for Mirka. During the year, the product portfolio was also expanded and developed, including through the installation of extraction systems on products that generate dust. This work is driven both by customer demand and by regulatory requirements, such as the EU Microplastics Directive. Construction of the CIGMA abrasive grain factory progressed and it is expected to have

been completed and to be ready for trial runs in summer 2026. The factory represents an important step towards greater circularity as it will utilise waste materials from both Mirka's own operations and those of its customers. During the year, Mirka also started collecting abrasive residues from customers.

Mirka remains active in the Finnish forum 'Nollis' and is working systematically to achieve zero workplace accidents. In 2025, the Lost Time Injury Rate (LTIR) was at its lowest level ever. In addition, a sustainability training programme was launched, with several training sessions already held for internal departments, subsidiaries and production staff. The response has been very positive, and the initiative will continue.

Work on the value chain also progressed. Mirka achieved Bronze level in EcoVadis and began screening suppliers, primarily in the areas of raw materials and procurement. Social sustainability forms part of the framework against which suppliers are assessed. The accessibility of Mirka's products continues to improve, with a focus on ergonomics and automation. Development is an ongoing process aimed at making the products safer and easier to use.

### SELECTION OF METRICS 2025

## Mirka



### Number of employees (HC)

1,890



### Geographical areas

Australia, Benelux, Brazil, Canada, China, Finland, France, Germany, India, Italy, Mexico, the Netherlands, Poland, Singapore, Spain, Sweden, Turkey, the United Arab Emirates, the United Kingdom, the United States



### Percentage of women

Board of Directors of the business division **0%**

Management team of the business division **25%**

Employees **24.6%**



### Occupational Health and Safety

Percentage of employees covered by a health and safety management system **78%**

Number of work-related accidents (frequency) **16.2**



### Environment & climate

Total energy consumption **129,940 MWh**

Proportion of renewable energy in total energy consumption **28%**

Proportion of nuclear power in total energy consumption **31%**

Proportion of fossil energy in total energy consumption **41%**

Greenhouse gas emissions **186,354 tonnes of CO<sub>2</sub>e**

Greenhouse gas emissions refers to market-based emissions in Scopes 1, 2 and 3.



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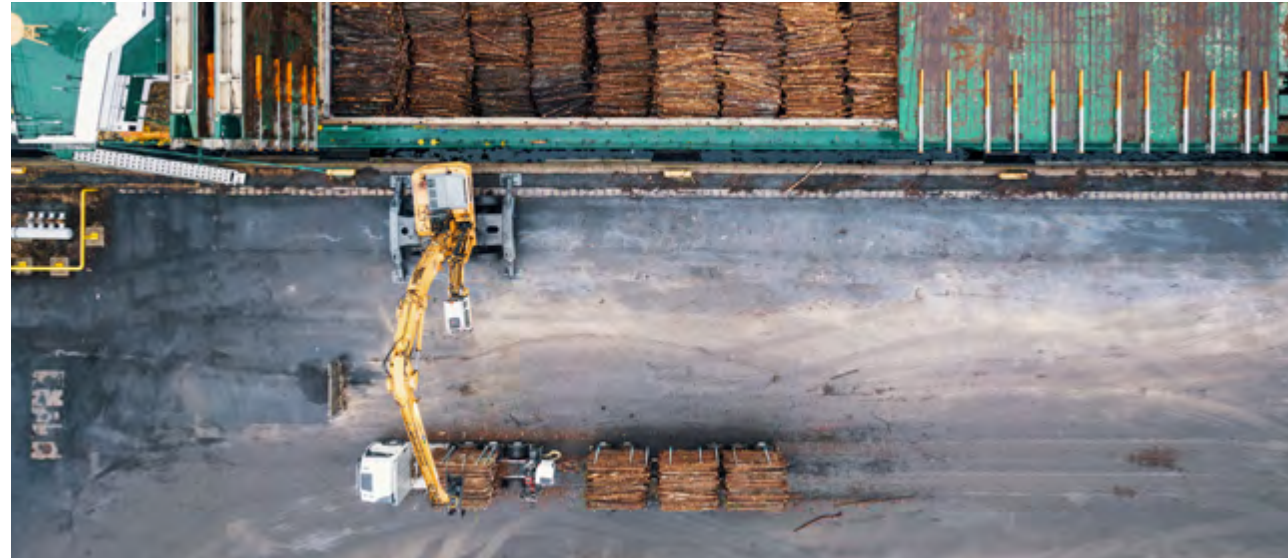
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## KWH Logistics

In 2025, KWH Logistics continued to develop its operations and is now planning to expand into Sweden. There are plans to establish a presence in two ports in northern Sweden by summer 2026, specifically in Umeå and Skellefteå.

The electrification of vehicles and the increased use of bio-fuels are high-priority areas for KWH Logistics, particularly as customer demand for sustainable solutions continues to grow. To make it easier for customers to report their emissions, relevant emissions data is now included directly in invoices. KWH Logistics is also actively working to replace older machinery and vehicles with more energy-efficient, environmentally friendly alternatives.

Furthermore, KWH Logistics continued to make a long-term commitment to leadership development, which is monitored, among other things, through a supervisor index that tracks changes over time. Working capacity and safety were key focus areas, and monitoring of health and safety data shows a positive trend year on year. KWH Logistics is also involved in the Finnish 'Nollis' initiative and was awarded 'Level 2' status in 2025.

Employees are encouraged to regularly submit proposals for improvements to health and safety, and this is done on an ongoing basis. Many of these proposals are tested in connection with safety inspections and have led to several innovative solutions. In the supply chain, monitoring is carried out through audits of the largest suppliers, and data is collected on their health and safety practices and internal processes.

Training initiatives continued throughout the year, with a particular focus on anti-corruption and governance. The training is open to all personnel, but is primarily aimed at the management team and those in high-risk roles. To make information more accessible and effective in day-to-day operations, KWH Logistics has also introduced AI-powered chatbots to support its staff.

SELECTION OF METRICS 2025

## KWH Logistics



Number of employees (HC)

598



Geographical areas

Finland, Sweden



Percentage of women

Board of Directors of the business division **0%**

Management team of the business division **7.1%**

Employees **11.4%**



Occupational Health and Safety

Percentage of employees covered by a health and safety management system **100%**

Number of work-related accidents (frequency) **13.9**



Environment & climate

Total energy consumption **63,169 MWh**

Proportion of renewable energy in total energy consumption **10%**

Proportion of nuclear power in total energy consumption **8%**

Proportion of fossil energy in total energy consumption **82 %**

Greenhouse gas emissions **73,184 tonnes of CO<sub>2</sub>e**

Greenhouse gas emissions refers to market-based emissions in Scopes 1, 2 and 3.



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**KWH Freeze**

KWH Freeze is Finland's leading provider of frozen food storage and celebrated its 60th anniversary in 2025. Efforts to safeguard the cold chain continued through investments in quality, technology and sustainability.

The previous work on utilising waste heat from KWH Freeze's cooling processes continued to be developed, and the solution is set to be rolled out in stages in spring 2026. This means that the waste heat generated during the cooling process is used in the local district heating network. It is one of several projects that KWH Freeze has been running for a number of years to improve energy efficiency.

In 2025, KWH Freeze also launched its intranet, making it easier for staff to access information and ensuring that internal communication has become more efficient and transparent. Health and safety remain priority areas, and KWH Freeze built on previous initiatives to improve access to incident reporting and enhance the risk management process.

Preventive measures to ensure the well-being of staff are an ongoing focus area. KWH Freeze has established procedures in place to support this, and employee surveys show

a positive trend towards increased satisfaction and engagement.

KWH Freeze has been working for many years with various management systems to organise and drive development in a number of areas. The company is already certified to ISO 9001, ISO 14001, ISO 45001 and FSSC 22000. KWH Freeze's work in the field of data security and data protection has been further developed, and the company is now eligible for ISO 27001 certification. This certification enables a systematic approach to cyber and information security, as well as data protection.

A key element of KWH Freeze's sustainability work is the updated sustainability strategy, which is scheduled to be implemented over the coming year. The strategy paves the way for increased value creation in the core business, clarifies governance in material sustainability matters, and makes it possible to measure and update targets in the areas of the environment, social responsibility and corporate governance.

SELECTION OF METRICS 2025

**KWH Freeze**



**Number of employees (HC)**

115



**Geographical areas**

Finland



**Percentage of women**

Board of Directors of the business division **33.3%**

Management team of the business division **33.3%**

Employees **7.8%**



**Occupational Health and Safety**

Percentage of employees covered by a health and safety management system **100%**

Number of work-related accidents (frequency) **15.6**



**Environment & climate**

Total energy consumption **14,453 MWh**

Proportion of renewable energy in total energy consumption **10%**

Proportion of nuclear power in total energy consumption **82%**

Proportion of fossil energy in total energy consumption **8%**

Greenhouse gas emissions **11,580 tonnes of CO<sub>2</sub>e**

Greenhouse gas emissions refers to market-based emissions in Scopes 1, 2 and 3.



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## Prevex

Prevex celebrated its 70th anniversary in 2025 and continued its efforts to reduce its carbon footprint and provide a safe, secure workplace for its employees. There were also some organisational changes at Prevex during the year. The company sold its operations in Poland and therefore only retains sales there. In addition, all assembly work was moved from Nykarleby to Jakobstad, which means that all assembly now takes place under one roof. This has streamlined production and reduced delivery times.

Over the year, Prevex continued to develop its products with a focus on sustainability. One key area was to increase the proportion of recycled plastic in the products. Despite high ambitions, the targets have not yet been met, mainly owing to a change of supplier which has delayed the process. At the same time, the change presents new opportunities to supply even better, more sustainable materials, which reinforces Prevex's long-term strategy.

The work carried out in previous years to offer plastic-free packaging reached an important milestone this year. Prevex now has technical solutions to offer plastic-free packaging to

customers who wish to use it. Work on making the products lead-free also continued successfully. 99% of Prevex's products are now lead-free, with only a few exceptions. Customer feedback has been positive, which shows that efforts to develop more sustainable products with a lower environmental impact are appreciated.

Work on health and safety continued throughout the year. Prevex continued to carry out regular risk assessments and remains committed to the Finnish occupational safety initiative 'Nollis', the target of which is zero workplace accidents. In addition to this, Prevex achieved ISO 45001 certification in 2025, which represents a significant step in the systematic efforts to prevent accidents and ill-health among employees.

Prevex also continues to strengthen its ties with the local community, for example by creating job opportunities for a wide range of people in the local area. This initiative, which is being carried out in collaboration with local organisations in the surrounding area, has received a positive response and has worked well.

SELECTION OF METRICS 2025

## Prevex



**Number of employees (HC)**  
188



**Geographical areas**  
Finland



### Percentage of women

Board of Directors of the business division **16.7%**  
Management team of the business division **16.7%**  
Employees **34%**



### Occupational Health and Safety

Percentage of employees covered by a health and safety management system **100%**  
Number of work-related accidents (frequency) **46.8**



### Environment & climate

Total energy consumption **7,376 MWh**  
Proportion of renewable energy in total energy consumption **100%**  
Proportion of nuclear power in total energy consumption **0%**  
Proportion of fossil energy in total energy consumption **0%**  
Greenhouse gas emissions **16,076 tonnes of CO<sub>2</sub>e**

Greenhouse gas emissions refers to market-based emissions in Scopes 1, 2 and 3.



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# 1. About the Sustainability Report

## Basis for the preparation of the sustainability statement

This is the fourth consolidated sustainability report for the KWH Group. It includes both KWH Group Ltd and the companies in all business divisions, subsequently referred to as the KWH Group. The KWH Group has previously published sustainability reports based on GRI Standards, but from 2024 the Group has begun a transition towards reporting in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This is despite the fact that the legal requirements will not enter into force for the KWH Group until 2027. The 2025 Sustainability Report includes information from the owner company and its operations, as well as from all business divisions: Mirka, KWH Logistics, KWH Invest (Prevex) and KWH Freeze. The scope of the report corresponds to that of the consolidated financial statements.

Environmental data for the KWH Group has been collected from suppliers, while each business division has compiled its own environmental data based on its own contracts

and information from subcontractors. In the environmental data, decimals have been rounded to the nearest whole number. This applies only if the value exceeds one (1). For substances classified as 'of concern' and 'of very high concern', the tables show only those hazard classes that exceed the applicable reporting thresholds.

Staff data has been collected from the KWH Group and its respective business divisions. The data is presented in terms of the number of employees (HC) broken down by contract type.

The report covers the period from 1 January 2025 to 31 December 2025 and includes the KWH Group's own operations as well as the upstream and downstream value chains. This report was published in May 2026 as part of the KWH Group's annual sustainability reporting. The information contained in this sustainability report has not been reviewed by external third parties.





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## 1.1 Sustainability governance

### The role of administrative, management and supervisory bodies in relation to sustainability

The KWH Group is a family-owned company in which the owners, in accordance with the terms of the shareholders' agreement, have the right to appoint board members. The Group Board consists of eight members, six of whom represent the owners and two of whom are external. The external members have been appointed to bring additional expertise to the Board. None of the members of the Board, including the Chair, hold any operational or executive role in the Group.

### Composition and diversity of the Group Board

Gender	Number of persons (HC)	Percentage (%)
Men	6	75%
Women	2	25%

The Group Board has overall responsibility for managing the affairs of the KWH Group on behalf of the owners. The Board of Directors is responsible for managing the Group effectively and in accordance with sound business practice. It also has the authority to decide on the Group's business strategy, strategic objectives, risk strategy and overall governance. A delegated mandate to Group management ensures that these decisions are implemented and followed up.

Employees and other workers are currently represented through so-called Group Cooperation Meetings, which are held once or twice a year. At these meetings, Group management and staff representatives come together for discussions. This allows Group management to pass on relevant issues raised by staff representatives to the Group Board.

### Governance of the sustainability area

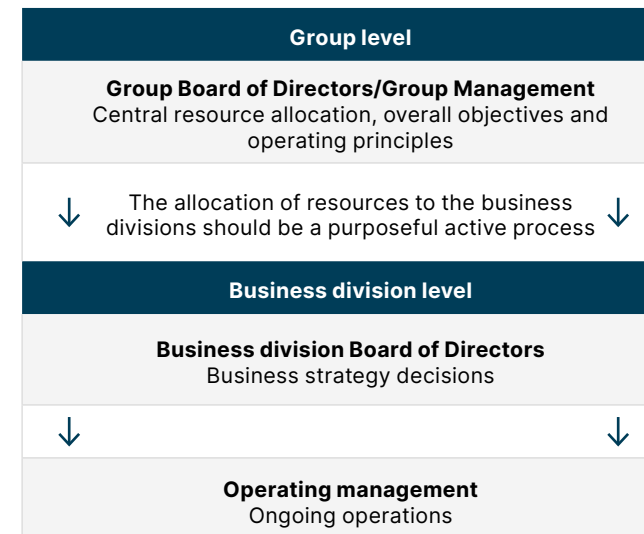
The Group Board meets regularly, and sustainability is a regular item on the agenda. During each financial year, there is also extensive discussion of sustainability matters affecting the Group during strategy reviews, budget planning and on an ongoing basis in connection with new investments and/or

as required in line with the Group's annual planning. At these meetings, the Group Board receives regular updates on the business divisions' efforts to enhance their social, environmental and economic impact. The information covers both planned activities and the monitoring of set targets.

When appointing board members, key skills are taken into account, such as relevant education, previous experience of board work, leadership skills and experience of running a business. In terms of sustainability expertise, the Board, the owners and the management team received regular updates and briefings from external sustainability experts throughout the financial year, with the aim of keeping abreast of relevant sustainability matters and the applicable regulatory framework for the Group. In previous years, the Group Board and management have also undergone training in the double materiality assessment and received basic training in sustainability.

In previous financial years, the KWH Group has begun the process of establishing and setting up a Group-level ESG committee. Over the past year, the Group appointed a committee, and work on the committee is scheduled to begin and be further developed in 2026.

### The KWH Group's organisational model



### Integration of sustainability-related performance in incentive schemes

The principles for remuneration paid to members of the administrative, management and supervisory bodies, and to the Chief Executive Officer, are governed by the KWH Group's remuneration system. Board members in the KWH Group, both on the Group Board and on the boards of the respective business divisions, receive remuneration in the form of fixed monthly and meeting fees, which are determined by the Annual General Meeting.

The Group Board appoints a committee each year to evaluate remuneration levels and principles. Remuneration should be market-based and competitive and reported annually for comparison with similar companies and large listed Finnish companies.

The Board of Directors is responsible for decisions on management remuneration, benefits and other conditions of employment. It also determines the outcome of any reward programmes for the CEO and Group management. Variable remuneration is based on an overall assessment of the achievement of personal targets and the performance of the Group



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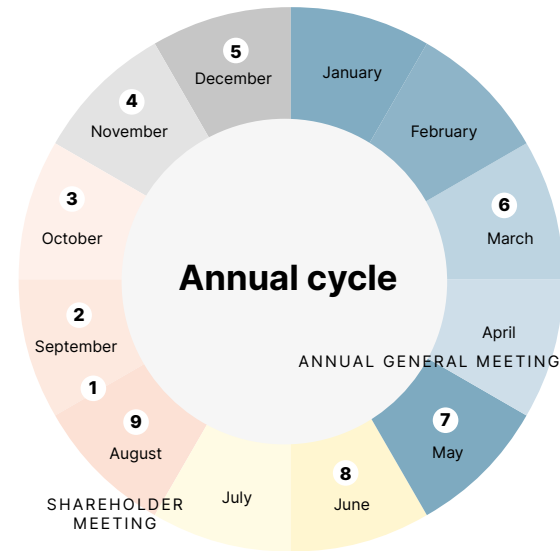
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or business division, based on both qualitative and financial criteria. Board members are not covered by any bonus or incentive programmes. However, Group management and the management teams in the business divisions are covered by bonus programmes that include sustainability-related criteria.

## 1.2 Risk management and internal control systems

**Statement on due diligence**

The KWH Group does not currently have a formal due dili-



- 1. Horizon scanning
- 2. Strategy and targets
- 3. Renewal work of the business divisions
- 4. Budget and action plans
- 5. Group structure
- 6. The resource allocation portfolio
- 7. Sustainability
- 8. Risk management
- 9. HR development

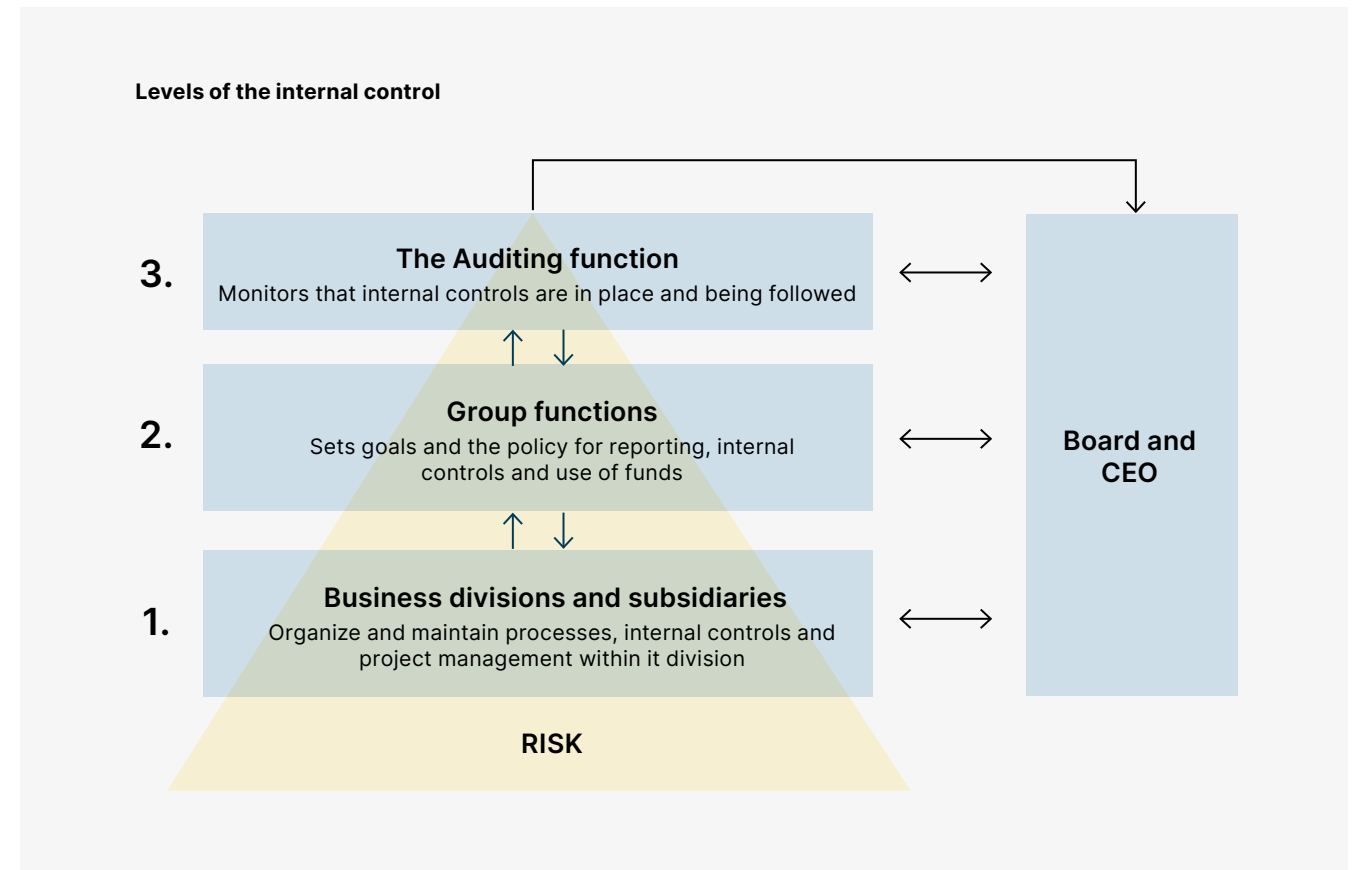
gence process specifically linked to sustainability matters except, for example, the double materiality assessment in which potential negative impacts are identified and assessed. In light of forthcoming legislation, the Group will continue to work on structuring and implementing such a process over the coming years.

**Risk management and internal controls over sustainability reporting**

Since the KWH Group published its first sustainability report in 2021, the business divisions have continued to develop their reporting and data collection processes. Relevant functions have been involved in the collection process, and the infor-

mation gathered has been reviewed for quality and completeness.

Before the KWH Group's sustainability report is published, it undergoes a review by both the management of the business divisions and the Group's management; this also applies to the 2025 sustainability report. In recent years, the KWH Group has taken further steps to improve and clarify the sustainability reporting process in the Group and its business divisions, and work to further develop this will continue ahead of the 2026 reporting.



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## 1.3 Business model, strategy and stakeholder engagement

**Strategy, business model and value chain**

The KWH Group's corporate strategy is based on clear, long-term ownership, with the aim of creating value and developing stable businesses in the sectors in which its business divisions operate. Active sustainability efforts in the Group promote long-term value creation in the companies. Sustainability is not only a potential competitive advantage, but also a prerequisite for reducing the Group's environmental impact, managing risks associated with various sustainability matters, and contributing to fair and democratic societies. To support the business divisions in their implementation, the Group's ESG handbook is used in acquisitions and in day-to-day management. The cornerstones of the KWH Group's business model are deep commitment and an active presence in the business divisions, with the aim of developing future-proof companies.

The KWH Group's overall ESG strategy is based on the Group's core values and the double materiality assessment. As a result of the double materiality assessment carried out in 2024, the strategy was also aligned with the Group's material sustainability matters, and a minor adjustment was made to the strategic focus areas. The vision and strategy remain in place for 2025, and during the reporting year the KWH Group continued to work on them and implement the strategy throughout the organisation.

The companies in the KWH Group operate across a wide range of industries, with varying levels of impact and risk both in their own operations and in the value chain. The companies actively address the most material sustainability matters, both to reduce their negative impact and to identify new business opportunities. The Group's value chain consists partly of the parent company's operations, but primarily of the various business divisions' own value chains.

**Interests and views of stakeholders**

The KWH Group has a large number of stakeholders, who are divided into various groups. Dialogue with stakeholders takes place both on an ongoing basis and as an integral part of the



Group's double materiality assessment. The purpose of these dialogues is to gain an understanding of stakeholders' expectations and requirements, and to understand how the Group and its subsidiaries affect them. These stakeholder dialogues also help prioritise relevant sustainability matters and actions going forward.

These dialogues take the form of surveys, interviews and ongoing discussions in the business divisions' operations. At present, there is no formal process in place, but the KWH Group plans to establish a more structured dialogue with relevant internal and external stakeholders in the future.



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Stakeholder group	Type of dialogue held
Owner	Board representatives, shareholders' meetings, etc. Sustainability reporting
Board of Directors	Surveys, Board meetings
Management team in the KWH Group and in each business division	Ongoing dialogue, management team meetings
Staff in all business divisions	Employee surveys, whistle-blowing channel, incident reporting system
Financial advisors	Ongoing dialogue
Customers	Customer surveys, ongoing dialogue
Trade union organisations	Ongoing dialogue
Other stakeholder organisations	Partnerships, initiatives and through trade associations
Local communities	Whistleblowing channel
Employees in the value chain	Audits of suppliers, whistle-blowing channel

**The interaction between material influence, risks and opportunities and strategy and business model**

In 2024, the KWH Group performed its first double materiality assessment in accordance with ESRS to systematically identify, assess, prioritise and monitor both potential and actual impacts, risks and opportunities related to sustainability. The assessment was based on guidance from the European Financial Reporting Advisory Group (EFRAG) and supplemented by internal expertise, external expertise and previous work on materiality assessment based on stakeholder dialogues. The

KWH Group plans to update and revise its double materiality assessment in the event of major organisational changes, such as significant acquisitions. The double materiality assessment is also scheduled to be reviewed in 2026 and subsequently on a regular basis in accordance with current guidance and ahead of the 2027 sustainability reporting, when the KWH Group will be subject to the requirements of CSRD.

The double materiality assessment was performed from both impact and financial perspectives. The topics identified as material in terms of impact, risk or opportunity are presented in the figure below. Topics such as water and marine resources, biodiversity and ecosystems, and affected communities were included in the assessment but were assessed as non-material at present.





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Strategic area	Material topics	Material sub-topics	Part of the value chain			Impact	Financial risk/opportunity
			Upstream	Own operations	Downstream		
Reducing our climate and environmental impact	E1. Climate change	Climate change adaptation					X
		Climate change mitigation				X	X
		Energy				X	X
	E2. Pollution	Pollution of air				X	
		Hazardous substances (substances of concern)				X	X
		Substances of very high concern				X	
Promoting circular economy and green technologies	E5. Resource use and circular economy	Microplastics				X	X
		Resource inflows, including resource use				X	X
		Resource outflows related to products and services				X	X
Promoting gender equality, diversity and equal treatment	S1. Own workforce	Waste				X	X
		Working conditions*				X	X
Ensuring a secure, safe workplace	S2. Workers in the value chain	Equal treatment and opportunities for all*				X	X
		Working conditions				X	
Working diligently on business ethics and ESG throughout our value chain	S4. Consumers and end-users	Other work-related rights				X	
		Information-related impacts for consumers and/or end-users				X	
		Personal safety of consumers and/or end-users				X	X
	G1. Business conduct	Corporate culture				X	X
		Protection of whistleblowers				X	
		Corruption and bribery				X	X
Ensuring ESG implementation	Company-specific: Responsible investment and ownership	Responsible investment and ownership				X	X

\*Positive and negative impacts identified within the sub-topic. Otherwise, the impacts identified are negative.



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# 1.4 The KWH Group's material sustainability matters

## Description of the processes to identify and assess material impacts, risks and opportunities, and material information that will be reported

The KWH Group's double materiality assessment followed a structured methodology combining both qualitative and quantitative assessments.

### The following steps were included in the double materiality assessment process:

1. Analysing the current situation and understanding the value chain
2. Initial mapping of impacts, risks and opportunities and relevant stakeholders
3. Aggregation and the business divisions
4. Assessment of impact materiality
5. Assessment of financial materiality
6. Thresholds and results of the double materiality assessment

### 1. Analysing the current situation and understanding the value chain

To further strengthen the overview of the impact the Group has through its own operations or as a result of business relationships, and any risks and opportunities that may be related to this, the value chain (upstream, own operations and downstream) was mapped.

### 2. Initial mapping of impacts, risks and opportunities and relevant stakeholders

An initial mapping of impacts, risks and opportunities related to the Group's activities and the value chain was carried out to identify relevant topics for further assessment.

In line with ESRS and to gain a better understanding of the KWH Group's actual and potential impacts, risks and opportunities in relation to sustainability, various stakeholders and sustainability experts were included in the development of the double materiality assessment. Interviews were conducted with internal functions in HR, finance, legal, risk and environ-

ment. External stakeholders were also interviewed, such as sustainability experts, owners and financial advisors. Employee surveys from 2022 and 2023 and customer surveys from 2023 were also used.

### 3. Aggregation and the business divisions

As the KWH Group consists of various companies in different industries, four separate double materiality assessments were initially performed, one for each of the KWH Group's business divisions. The results of the assessments for the business divisions were then taken into account in the assessment for the KWH Group.

For the assessment of impact materiality, both positive and negative impacts from the business divisions were aggregated using a weighting in relation to scope for the severity assessment. For the assessment of financial materiality, risks and opportunities from the business divisions were aggregated based on their percentage share of revenue and capital allocation.

### 4. Assessment of impact materiality

The impact assessment included assessing negative and positive, actual and potential impacts on the environment and people in relation to the Group's activities and value chain.

The severity of impacts was determined by assessing the scale, scope and irremediable character of negative impacts. For positive impacts, scope and scale were assessed. For potential impacts, the likelihood was also assessed on a five-point scale. The impact was assessed over the short, medium and long terms (during the reporting year, 2-5 years and more than 5 years).

**Scale:** The severity of negative impacts or how beneficial positive impacts are for people or the environment.

**Scope:** The extent of negative or positive impacts. In the case of environmental impacts, the scope may be interpreted as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be interpreted as the number of people adversely affected.

**Irremediable character:** Whether and to what extent the negative impacts can be remediated, i.e. restoring the environment or affected people to their prior state.

### 5. Assessment of financial materiality

The financial materiality assessment was carried out by evaluating whether a matter could have a financial impact on the Group or any of its subsidiaries. The result of material impacts was also taken into account as material impacts may be the source of material risks and opportunities. Financial parameters evaluated included impacts on the KWH Group's business performance, financial position, financial performance, cash flow, cost of capital and access to finance.

Risks and opportunities were evaluated based on the Group's risk management policy, which includes the likelihood of occurrence and the potential scope of financial impacts. Risks and opportunities were assessed on a five-point scale in terms of likelihood and financial impact over the short, medium and long terms (during the reporting year, 2-5 years and more than 5 years). The scope of financial impacts was assessed on the basis of qualitative descriptions except where financial estimates were already available. These were then used as an addition to the assessment.

### 6. Thresholds and results of the double materiality assessment

To decide which areas were material from impact and financial perspectives, thresholds were applied. For impacts, thresholds were based on severity and likelihood. For potential negative impacts on human rights, as specified in ESRS 1, article 45, severity was prioritised over likelihood in assessing material matters. To take this into account, an alternative threshold was applied when human rights impacts were identified. For financial materiality, the limit values used in the Group's risk management policy were used, which correspond to risks considered significant and very significant.

The results of the double materiality assessment have been reviewed and approved by the Group management team and the Group Board. The results have been verified by the Group's auditors. During the 2025 financial year, the KWH Group did not update the double materiality assessment. The method and results therefore remain unchanged from 2024. This is because no major organisational changes took place during the year that would affect the current results. The KWH Group plans to carry out annual updates in future, once the Group falls within the scope of CSRD.



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Material topics	Material sub-topics	Relevance for our business divisions			
		Mirka	KWH Logistics	KWH Invest (Prevex)	KWH Freeze
E1. Climate change	Climate change adaptation				
	Climate change mitigation				
	Energy				
E2. Pollution	Pollution of air				
	Substances of concern				
	Substances of very high concern				
	Microplastics				
E5. Resource use and circular economy	Resources inflows, including resource use				
	Resource outflows related to products and services				
	Waste				
S1. Own workforce	Working conditions				
	Equal treatment and opportunities for all				
S2. Workers in the value chain	Working conditions				
	Equal treatment and opportunities for all				
	Other work-related rights				
S4. Consumers and end-users	Information-related impacts for consumers and/or end-users				
	Personal safety of consumers and/or end-users				
G1. Business conduct	Corporate culture				
	Protection of whistleblowers				
	Corruption and bribery				

**1.5 General disclosure requirements for policies, actions, metrics and targets**

**General disclosure requirements for policies**

The internal policy framework is monitored and updated as required. In 2025, the Group's *Anti-Corruption Policy*, *Environmental Policy*, *Social Policy*, *Governance Policy* and *Whistle-blowing Policy* were adopted by the Board and have now been implemented across the organisation. All of the Group's policies are reviewed and approved by the Board prior to implementation. Overall responsibility for content and implementation lies with Group management, while the business divisions are responsible for applying the policies and taking the necessary actions.

The KWH Group has a number of policies governing material matters, both internally for the Group's employees and for the suppliers of the Group and its business divisions. The policies set out the Group's commitment to addressing material impacts, risks and opportunities.

**Actions and resources in relation to material sustainability matters**

The KWH Group has not yet established group-wide actions or resource allocations relating to all material sustainability matters. This work is scheduled to be carried out in the future, as the Group comes under the scope of CSRD and the Group's objectives are implemented. Meanwhile, the business divisions are running various initiatives, which are reported under the relevant material matters in the sustainability report.

**General disclosure requirements for targets**

The KWH Group has not yet set any group-wide targets for the material sustainability matters. Work on targets is scheduled to be carried out and implemented during the 2026 financial year. However, the business divisions have their own targets, such as reducing greenhouse gas emissions, reducing workplace accidents and increasing the use of recycled materials. At present, the Group's material sustainability matters are monitored via reporting to the Board and via the overarching objectives of the ESG strategy.



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Policies adopted	Contents and purpose	Material matters	Relevant stakeholders	Highest level of responsibility	Links to international standards and declarations
Code of Conduct	The Code of Conduct sets the framework for how the KWH Group should act as a responsible owner and employer. The Code of Conduct describes how the KWH Group expects its companies and staff to act and is available at <a href="http://www.kwhgroup.com">www.kwhgroup.com</a> .	All	Employees of the KWH Group	Board of Directors of the KWH Group	UN Global Compact, ILO Core Conventions, UN Declaration of Human Rights, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights.
Business Partner Code of Conduct	The Business Partner Code of Conduct sets the framework for the business values that the KWH Group expects our business partners, including suppliers, subcontractors, resellers, agents and consultants, to uphold. It is available at <a href="http://www.kwhgroup.com">www.kwhgroup.com</a>	All	Business partners of the KWH Group	Board of Directors of the KWH Group	The UN Global Compact, OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights, ILO Fundamental Principles and Rights at Work, and UN Guiding Principles on Business and Human Rights
Environmental Policy	The policy covers environmental management, energy/climate, emissions, materials, development issues and stakeholder relations, i.e. all material environmental matters, in a comprehensive manner. The policy is available internally to employees and is shared with business partners as required.	Climate Change, Pollution, Resource Use and the Circular Economy	The KWH Group's Board of Directors, employees, contractors and external stakeholders who interact with the KWH Group	Board of Directors of the KWH Group	UN Global Compact, OECD Guidelines for Multinational Enterprises and Rio Declaration on Environment and Development
Social Policy	The policy addresses issues such as diversity, gender equality and inclusion, pay and training/development. The policy is available internally to employees and is shared with business partners as required.	Own workforce, Workers in the value chain, and Consumers and end-users	The KWH Group's employees, contractors, suppliers and stakeholders involved in the KWH Group's operations	Board of Directors of the KWH Group	UN Global Compact, Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and core conventions, UN Convention on the Rights of the Child, OECD Guidelines for Multinational Enterprises, and UN Guiding Principles on Business and Human Rights
Governance Policy	The policy addresses the company's ethical business conduct with zero tolerance for all types of bribery and corruption, including limits for gifts and services. The policy addresses all employees' respect for competition law issues. The policy is available internally to employees and is shared with business partners as required.	Business conduct	The KWH Group's employees, contractors, suppliers and stakeholders involved in the KWH Group's operations	Board of Directors of the KWH Group	UN Global Compact, Principles for Responsible Investments
Staff Policy	The policy addresses issues such as diversity, gender equality and inclusion, leadership and training/development, and health and safety.	Own workforce	Employees of the KWH Group	Board of Directors of the KWH Group	
Gender Equality and Equal Treatment Policy	The policy addresses issues such as diversity, gender equality and inclusion, pay and training/development.	Own workforce	Employees of the KWH Group	Board of Directors of the KWH Group	
Whistleblowing Policy	The policy concerns the right of all employees to raise concerns about suspected irregularities or unethical behaviour without fear of retaliation. The KWH Group uses Ethics Line for whistleblowing, which is a confidential communication channel maintained by a third party. Further information about the whistleblowing channel is available at <a href="http://www.kwhgroup.com">www.kwhgroup.com</a>		Employees of the KWH Group	Board of Directors of the KWH Group	
Anti-corruption policy	The policy explains and defines the different types of corruption and bribery, as well as how employees should respond to them and report any non-compliance.	Own workforce, Workers in the value chain, Consumers and end-users, and Business conduct	The KWH Group's employees, consultants, business partners, suppliers and other third parties.	Board of Directors of the KWH Group	UN Global Compact, UN Convention against Corruption, and OECD Convention on Combating Bribery and Guidelines for Multinational Enterprises.



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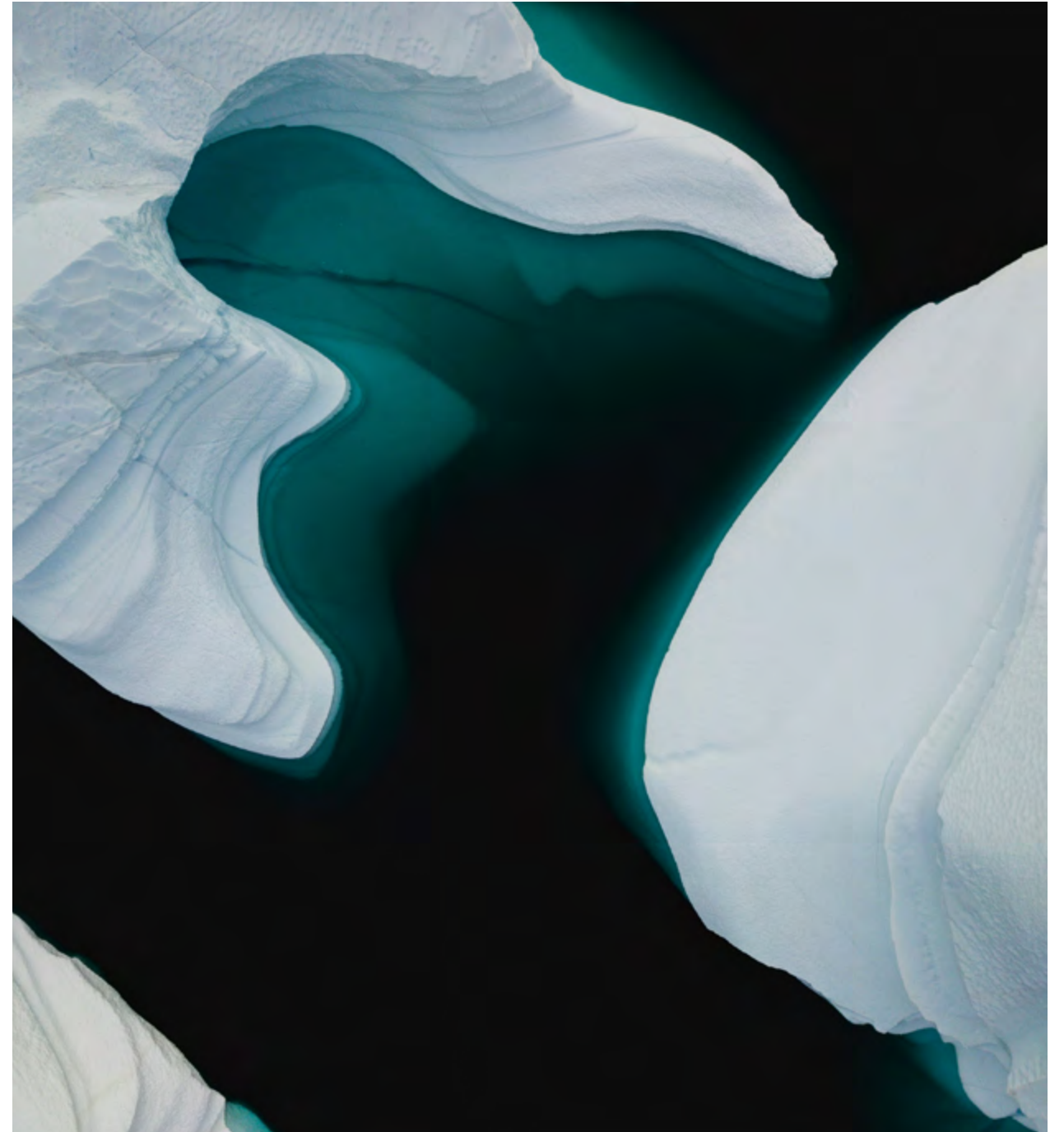
The KWH Group's environmental impact is mainly linked to the activities of its business divisions. The following section describes the Group's material environmental matters, which are E1 Climate Change, E2 Pollution and E5 Resource Use and the Circular Economy. Under each material matter, the KWH Group's actions to mitigate negative impacts, metrics for the financial year and, where relevant, potential related financial impacts are presented. The strategic work in the matters 'Reducing climate and environmental impact' and 'Promoting the circular economy and green technologies' guides efforts relating to climate change, pollution, resource use and the circular economy.

### 2.1 Climate change

#### Impacts, risks and opportunities related to climate change and energy use

Through the double materiality assessment, the KWH Group identified climate-related risks, opportunities and impacts, both in its own operations and upstream and downstream in the value chain. All companies in the KWH Group are industrial companies, which means that their impact on the climate is evident in various aspects of their operations. This applies, for example, to the use of machinery and vehicles, energy consumption in premises, and the choice of materials in production. Climate impacts also arise throughout the value chain, from the extraction and manufacture of materials on which companies depend, to the use of products and final waste management. Raising awareness of and actively managing the KWH Group's climate impact and energy consumption is not merely a response to external requirements, but also a strategic step towards reducing the Group's emissions and environmental impact.

Going forward, the Group intends to conduct a more in-depth analysis of how its companies and their business





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models may be affected by climate-related physical risks and risks associated with the energy transition. This is because the companies in the KWH Group operate in various industrial sectors, with some relying on materials and energy for production, while others rely on products and fuel to deliver services. The Group operates in sectors with a significant environmental impact, where requirements from authorities, customers and other stakeholders are driving the need to reduce emissions and take a proactive approach to climate change.

**Transition plan for climate change mitigation**

In recent years, the KWH Group has been collecting data and calculating greenhouse gas emissions and will continue to do so in the future. At present, the KWH Group has not developed a group-wide transition plan to mitigate climate change. However, it is planned that such a transition plan will be developed and adopted in the coming years, once the Group has even better access to harmonised data on climate-related emissions. The KWH Group also plans to continue its in-depth analysis of how the companies' business models may be affected by physical climate risks and risks associated with the energy transition.

**Climate-related risks and scenario analysis**

The Group's subsidiaries carry out an annual risk analysis to assess how their business model may be affected by climate-related physical risks and transition risks.

*Physical climate risks*

The KWH Group is exposed to physical climate risks such as storms, floods, heavy rainfall and snowfall, events which could cause damage to the Group's buildings and production facilities. These risks may arise in the short, medium and long terms, and are expected to increase as a result of climate change. As part of its preventive efforts, the Group is taking active steps to adapt its operations to climate change.

*Transition risks*

The Group faces a number of transition risks, including those linked to the need to climate-proof physical assets such as buildings, which may require future investment. Climate-related factors may also lead to increased costs for energy and

materials on which the Group's companies rely, for example as a result of higher taxation or reduced availability. This impact may be directed specifically at the Group or arise indirectly through effects on the supply chain. At Group level, it is estimated that additional resources will be required in the future to meet increased reporting requirements and ensure compliance with new regulations.

**Resilience to climate change**

The KWH Group has not carried out a resilience analysis of climate-related physical and transition risks. In line with the transition plan, this work is scheduled to begin and be developed in the future once the Group has access to more harmonised data.

**Actions and resources for climate change**

The KWH Group is committed to reducing its environmental impact and energy use. At Group level, renewable electricity is procured for the Finnish part of the business, where the majority of production takes place. Otherwise, the energy mix consists largely of nuclear power. In addition to purchased energy, several of the Group's companies generate their own energy using solar panels and other solutions in collaboration with external partners to ensure energy supply.

A number of initiatives and measures are being taken at business division level to manage and reduce the companies' climate impact. Several of the Group's business divisions depend on vehicles and fuel to deliver their products and services. To reduce the negative impact of fuel use, work is ongoing to improve fuel efficiency and to evaluate alternatives to fossil fuels.

**Energy mix and efficiency enhancement metrics**

Overall, the KWH Group's total energy consumption remains at levels similar to those of the previous reporting year, with a slight increase. In recent years, the KWH Group has been working to improve data quality and access to data. One example of this is that Vattenfall now issues guarantees of origin for renewable energy for Prevox. This provides greater certainty regarding the quantity of electricity generated from a specific energy source and in ensuring that the electricity is renewable.

**Energy consumption and mix 2025**

Energy consumption and mix	2025
<b>Fossil energy</b>	
Total fossil energy consumption (MWh)	105,580
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh)	54,585
Fuel consumption from natural gas (MWh)	23,169
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or procured electricity, heat, steam and cooling from fossil sources (MWh)	27,826
Proportion of fossil sources in total energy consumption (%)	49
<b>Nuclear power sources</b>	
Total energy consumption from nuclear sources (MWh)	58,357
Proportion of nuclear sources in total energy consumption (%)	27
<b>Renewable sources</b>	
Fuel consumption from renewable sources, including biomass (MWh)	4,272
Consumption of purchased or procured electricity, heat, steam and cooling from renewable sources (MWh)	44,092
Consumption of self-generated renewable energy other than fuel (MWh)	3,489
Total consumption of renewable energy (MWh)	51,853
Proportion of renewable sources in total energy consumption (%)	24
<b>Total energy</b>	
Total energy consumption (MWh)	215,790



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Energy intensity per net revenue	2025
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/MEUR)	332.6 (MWh/MEUR)

Energy intensity is calculated using the turnover reported in the annual report.

The KWH Group has a number of companies operating in sectors with high climate impact. It is these companies that are used to calculate the energy intensity above.

Sector (NACE code)	
Manufacturing (C)	C22.2.3 - Manufacture of builders' ware of plastic C23.9.1 - Production of abrasive products and manufacture of other non-metallic mineral products
Transporting and storage (H)	H49.4.1 - Freight transport by road H52.1 - Warehousing and storage of goods H52.2.4 - Cargo handling H52.2.9 - Other transportation support activities
Real estate activities (L)	L68.2 - Renting and operating of own or leased real estate

### Gross Scopes 1, 2, 3 and Total GHG emissions

This is the fourth year in which the KWH Group has collected data on greenhouse gas emissions. The Group's current mapping and reporting of greenhouse gas emissions cover Scope 1, Scope 2 (location-based and market-based) and Scope 3 (categories 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9, 3.11, 3.12, 3.13 and 3.15). In previous reporting years, data coverage was limited, but in 2025 the Group carried out a comprehensive greenhouse gas inventory across all its business areas, which enabled a higher level of coverage than previously. A comparison between emissions in 2024 and 2025 is therefore not relevant.

The method for calculating Scope 3 emissions involves a combination of activity-based and cost-based data. The KWH Group constantly strives to improve data quality, but limitations remain in certain categories where individual subsidiar-

ies have been unable to provide data of sufficient quality. The Group will continue to improve both data quality and methodology in the coming reporting years, which may affect future year-on-year comparisons.

Gross Scopes 1, 2, 3 and Total GHG emissions	2025
<b>Scope 1 GHG emissions</b>	
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	20,757
Proportion of Scope 1 GHG emissions from regulated emissions trading schemes (%)	-
<b>Scope 2 GHG emissions</b>	
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	9,412
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	10,701
<b>Scope 3 GHG emissions</b>	
Total gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)	270,015
1 Purchased goods and services	109,830
2 Capital goods	29,948
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	7,097
4 Upstream transportation and distribution	53,954
5 Waste generated in operations	5,375
6 Business travel	11,689
7 Employee commuting	4,188
9 Downstream transportation	2,754
11 Use of sold products	14,600
12 Waste management of sold products	16,833
13 Downstream leased assets	89
15 Investments	13,659
<b>Total GHG emissions</b>	
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	300,184
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	301,472

1. Emissions are calculated in accordance with the Greenhouse Gas Protocol under the Group's operational control and using emission factors from DEFRA 2024, IEA 2025, Ecoinvent v3.11 and others under GWP 100.

2. Assumptions used for calculations include waste volumes, purchased goods and services and employee commuting.



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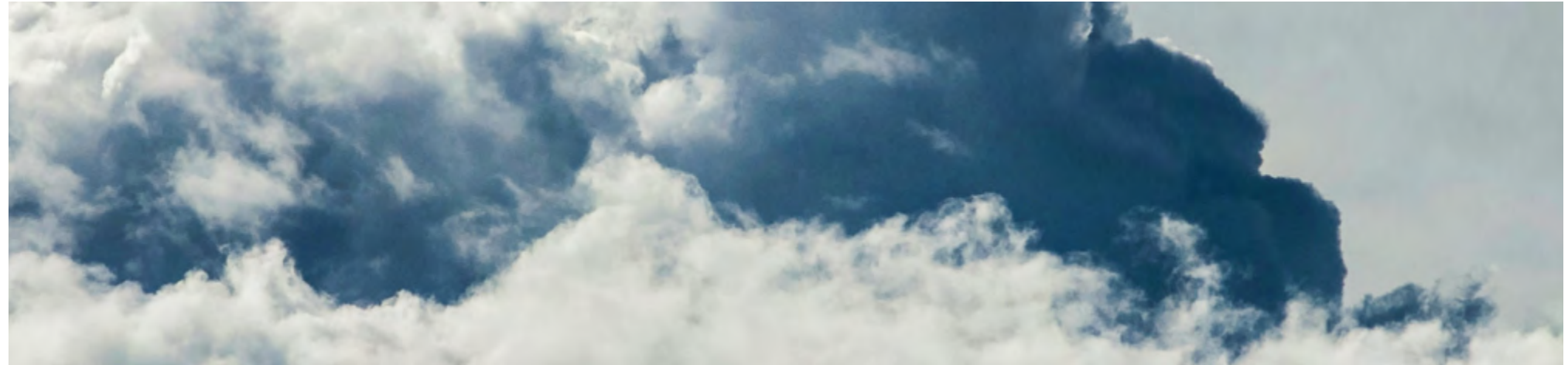
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GHG intensity per net revenue	2025
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> e/MEUR)	476
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> e/MEUR)	478

Greenhouse gas intensity is calculated using the turnover reported in the annual report.

**GHG removals and GHG mitigation projects financed through carbon credits**

In the KWH Group's own operations and value chain, there are no GHG removals or storage. However, Prevex finances GHG emission reduction projects through the purchase of carbon credits. The purchased carbon credits have been used as part of the public claims regarding operational carbon neutrality for the 2025 financial year, which covers Scope 1 and Scope 2 emissions.

Prevex's use of carbon credits does not affect the company's overall climate targets, but serves as a complement to them. Since the base year 2018, Prevex has reduced its Scope 1 and 2 emissions by 97%. The remaining 3% is offset by carbon reduction projects. The company aims to gradually reduce the need for this offsetting and, instead, further reduce its own emissions. The information regarding the future can-

cellation of carbon credits reflects the current situation and the company's intentions, which remain unchanged unless significant changes occur in the future.

Carbon credits cancelled during the reporting year	2025
Total (tCO <sub>2</sub> e)	54
Share from removal projects (%)	-
Share from reduction projects (%)	100
Share from recognised quality standards (%)	100
Share from projects within the EU (%)	100
Share of carbon credits that qualify as corresponding adjustments (%)	100

Carbon credits planned to be cancelled in the future	Volume until 2026
Total (tCO <sub>2</sub> e)	0

**Internal carbon pricing**

The KWH Group does not currently use an internal carbon pricing system.

**Anticipated financial effects from material physical and transition risks and potential climate-related opportunities**

Based on the climate-related risks identified by the KWH Group through its double materiality assessment, certain financial impacts are anticipated. These risks may affect the Group's assets, financial performance and cash flow. At present, the risks are considered to be limited given the geographical areas in which the Group operates, but this may change over time. Transition risks are mainly expected to affect the Group's operating costs, for example through higher prices for materials and energy, as well as the investments required for the transition. At the same time, there are climate-related opportunities, including those linked to climate adaptation projects and the choice of materials, which can create competitive advantages and strengthen the Group's market position.

Going forward, the KWH Group will conduct a more in-depth analysis of climate-related risks and opportunities, including their potential financial implications, with a view to enhancing both its understanding of climate impacts and its strategic work on climate adaptation.

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## 2.2 Pollution

**Impacts, risks and opportunities related to pollution**

Through the double materiality assessment, the KWH Group identified and assessed the impacts, risks and opportunities related to pollution in both its own operations and the entire value chain. As the Group's companies operate in different industries, there are impacts and risks related to pollution.

Air pollution arises in several areas of operations, including through the use of the Group's vehicles, where the combustion of fossil fuels results in emissions of nitrogen and sulphur oxides, methane and carbon monoxide, as well as dust and particulates. Production processes also contribute, such as laser cutting and surface treatment, which generate formaldehyde and other volatile organic compounds. Given the impact these emissions may have on employees and the surrounding areas, the business divisions are actively working to reduce and prevent emissions. Pollutants are also likely to be present in the upstream and downstream value chain, for example during the production and transport of materials and components such as plastic, electronics and fuel.

Plastic is used in the Group's companies both as an input – for example, plastic pellets in production – and in packaging. Microplastics are used in certain applications in Prevex's and Mirka's operations. It can also originate from tyre wear, certain manufacturing processes and waste management.

Substances of concern and substances of very high concern occur in some operations, both in the production of products and in the direct use of chemicals. For example, Mirka uses a large number of chemicals in its production of sandpaper and polishing agents, such as adhesives, acids, bases, oils, and process chemicals such as lubricants and hydraulic oils. KWH Logistics mainly uses chemicals for the maintenance of vehicles and machinery, such as fuels, oils and windscreen washer fluid, but does not handle any substances of very high concern. KWH Freeze uses certain chemicals in its operations, including for vehicles and machinery, and operates closed refrigeration systems using carbon dioxide and ammonia, where strict safety procedures are in place to minimise the risk of leaks. Some of Prevex's products require brass containing lead, which is classified as a substance of very high concern. Prevex has taken an



active approach to phasing out lead from its products and now offers 99% of its products lead-free.

**Actions and resources related to pollution**

The KWH Group's business divisions work continuously to reduce their environmental impact and mitigate potential risks. This is achieved, among other things, through their own environmental management systems, development of the product range and close cooperation with suppliers.

To reduce the spread of microplastics, the business divisions implement rigorous waste management practices and reuse plastic wherever possible. For example, Mirka expanded its product portfolio this year in line with the EU Microplastics Directive. Furthermore, the companies are also actively working to replace substances that are considered particularly problematic. Several of these have already been replaced with less harmful alternatives, although some challenges remain.

The environmental management systems include clear guidelines for the handling of chemicals. These include, among other things, inventory lists and guidelines for the correct handling and storage of chemicals.

**Pollution of air and the use and generation of microplastics**

Based on the double materiality assessment, the environmental impact of emissions into the air is considered to be a material matter for both Mirka and KWH Logistics. As in the previous year, Mirka does not exceed any of the thresholds that trigger reporting requirements. The same applies to KWH Logistics, which collected data in this matter this year. Both companies will continue to monitor the situation and collect relevant data, and will report if the thresholds are exceeded in the future.

**Microplastics used and generated**

Microplastics	Quantity 2024 (tonnes)	Quantity 2025 (tonnes)
Quantity used	2,244	2,590
Quantity created	Data not available	Data not available

- 1. Includes data from the Mirka and Prevex business divisions.
- 2. The compilation is based on information about the use of products containing microplastics and the proportion of microplastics in these products.

**Substances of concern and substances of very high concern**

The KWH Group previously began collecting and reporting data on the inflows and outflows of substances classified as substances of concern and substances deemed to be of very high concern. Data collection is not yet comprehensive, but the aim is to gradually improve both coverage and data quality in the future.

The tables show only those hazard classes that exceed the applicable reporting thresholds.



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**Substances of concern created, used or sourced**

Hazard classes	Quantity 2024 (tonnes)	Quantity 2025 (tonnes)
Acute toxicity	240	242
Corrosive or irritating to the skin	126	128
Serious eye injury or irritation	74	75
Airway/skin sensitisation	77	32
Carcinogenicity	97	96
Specific target organ toxicity – repeated exposure	211	210
Hazard on aspiration	98	96
Hazardous for the aquatic environment	193	128
Persistent, bioaccumulative and toxic or very persistent and very bioaccumulative	0.4	0.2

Includes data from all four business divisions.

**Substances of concern contained in emissions, products and services**

Hazard classes	Quantity 2024 (tonnes)	Quantity 2025 (tonnes)
Acute toxicity	97	96
Corrosive or irritating to the skin	97	96
Serious eye injury or irritation	2	0.1
Carcinogenicity	97	96
Specific target organ toxicity – repeated exposure	97	96
Hazard on aspiration	97	96
Hazardous for the aquatic environment	104	172
Persistent, mobile and toxic or very persistent and very mobile	0.35	0.18
Persistent, bioaccumulative and toxic or very persistent and very bioaccumulative	0.4	0.2

Includes data from all four business divisions.

**Substances of very high concern created, used or sourced**

Hazard classes	Quantity 2024 (tonnes)	Quantity 2025 (tonnes)
Persistent, mobile and toxic or very persistent and very mobile	0.35	0.18
Persistent, bioaccumulative and toxic or very persistent and very bioaccumulative	0.4	0.2

Includes data from the Mirka and Prevox business divisions.

**Substances of very high concern contained in emissions, products and services**

Hazard classes	Quantity 2024 (tonnes)	Quantity 2025 (tonnes)
Persistent, bioaccumulative and toxic or very persistent and very bioaccumulative	0.4	0.2

Includes data from the Mirka and Prevox business divisions.



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## 2.3 Resource use and circular economy

**Impacts, risks and opportunities related to resource use and circular economy**

All companies in the KWH Group are dependent on different physical resources. The manufacturing business units use a variety of materials and components in their production, and all Group companies require products and machinery in their daily operations. Reducing and optimising the use of resources is therefore a key step towards reducing the Group's overall environmental impact.

A large part of the Group's impact occurs in the value chain, both upstream, for example in the extraction of raw materials and production of components, and downstream in processes such as waste management. There are significant opportunities, particularly in the manufacturing companies, to promote circular resource management through conscious material choices, sustainable product design and responsible waste management.

To seize these opportunities, the KWH Group has launched several initiatives, both internally in its business divisions and through partnerships with external actors. One example of this is Mirka's work on the construction of the CIGMA abrasive grain factory. This will enable greater circularity, as it will utilise waste materials from both Mirka's own operations and those of its customers. The factory is expected to be ready for trial runs in summer 2026.

**Actions and resources related to resource use and circular economy**

The Group's manufacturing business divisions work continuously to improve resource use and promote a circular economy.

As mentioned above, the construction of the CIGMA abrasive grain factory plays a key role in increasing circularity. The CIGMA plant is designed to facilitate circular production by utilising industrial waste streams and abrasive waste from both production and end-users. These materials are processed and transformed into new ceramic abrasive grains. The circular grain management process developed in the CIG-



MA project makes it possible to replace newly produced grain with recycled abrasives and by-products that are currently classified as waste. This is an important step towards greater resource efficiency and reduced environmental impact.

Mirka also works with several companies in Finland and the rest of the EU in the SHAPE Ecosystem project, partly funded by Business Finland, which started in 2023 and runs for five years. The project is a strategic initiative to promote the green transition in the manufacturing industry, focusing on sustainable materials, circular solutions and collaboration across the value chain. A key sub-project of SHAPE involves increasing traceability and monitoring of products and materials to understand their life cycles better. Mirka also offers maintenance and repair services, as well as the sale of spare parts, which helps extend the service life of equipment and reduce resource consumption.

Prevex is strongly focused on increasing the share of recycled plastics in its products and on increasing the use of renewable materials, for example in packaging. Prevex is now able to offer plastic-free packaging for all products if requested by the customer.

**Resource inflows**

The KWH Group has continued to collect data and has improved the quality of data relating to inflows of material resources. However, there are still certain limitations in terms of coverage and the quality of the data collected. This is partly on account of the information available in our business systems and different estimates. There is also a risk that some figures may have been counted twice.

The Group's operations rely on several material resource inflows to produce their products and services. These include paper, grains and adhesives for the production of sandpaper, various chemicals and oils, plastic pellets such as polypropylene and polyethylene, plastic and metal parts, motors, batteries and electronics, and packaging materials such as plastics and cardboard. In addition to this, machinery, tools, workwear, IT equipment and other support resources are also required. As many of the companies use electronics, rare earth elements and minerals are also components in certain products.

Resource inflows	2025
Total weight of products (tonnes)	360
Total weight of technical materials used (tonnes)	11,570
Total weight of biological materials used (tonnes)	2,365
Total weight of products and materials (tonnes)	14,295
Reused or recycled input materials	
Total weight of reused and recycled materials and components (tonnes)	1,725
Proportion of secondary reused or recycled components (%)	12

Biological materials are not included, as none were reported for the current reporting year.



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**Resource outflows**

The KWH Group manufactures a wide range of products, including abrasives, sanding machines and water traps. The manufacturing companies work constantly to improve their circular performance and have implemented a number of measures relating to resource efficiency and the circular economy. For example, high quality and sustainability are prioritised to extend the life of products, employees are trained in and encouraged to apply circular design principles, and the Group strives to use secondary raw materials such as recycled plastics.

Waste is inevitably generated in manufacturing and other operations. The business divisions follow the waste hierarchy to reduce waste to the maximum extent possible. The most significant waste streams include: 1) waste material from the production of sandpaper and water traps, 2) hazardous waste from used chemicals, oil filters and similar items, and 3) goods and foodstuffs that have been damaged during handling and are no longer fit for use.

In 2025, the proportion of hazardous waste destined for disposal increased compared with 2024. This is because it was not possible to recycle the same volume of hazardous waste to the same extent as before. One contributing factor is that Prevex did not have the same opportunities as before to recycle as large a proportion of its waste. The change of waste management partner also affected the outcome, but the aim of the change is to improve waste management in the long term and increase the volume of waste diverted from disposal.

Waste volumes	2024	2025
Total volume of waste (tonnes)	6,732	6,667
<b>Waste types</b>		
Hazardous waste (tonnes)	1,602	1,613
Non-hazardous waste (tonnes)	5,129	5,054
Radioactive waste (tonnes)	-	-
<b>Recycling</b>		
Non-recycled waste (tonnes)	4,403	3,415
Non-recycled waste (%)	65%	51%
Recycled waste (tonnes)	2,326	3,191

Waste diverted from disposal	Hazardous waste (tonnes) 2024	Non-hazardous waste (tonnes) 2024	Hazardous waste (tonnes) 2025	Non-hazardous waste (tonnes) 2025
Total	1,106	1,220	99	3,092
Preparation for reuse	-	438	16	536
Materials recycling	13	689	60	2,334
Other recycling procedures	1,094	94	23	222

Waste destined for disposal	Hazardous waste (tonnes) 2024	Non-hazardous waste (tonnes) 2024	Hazardous waste (tonnes) 2025	Non-hazardous waste (tonnes) 2025
Total	496	3,909	1,510	1,905
Incineration	472	3,451	1,474	1,802
Landfill	10	412	1	94
Other disposal procedure	14	46	36	9
Unknown	3	-	4	57

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## 2.4 Disclosures under the Taxonomy Regulation

In 2024, the KWH Group started Group-wide work related to the EU Taxonomy Regulation. The Taxonomy Regulation is a key part of the EU Action Plan on Financing Sustainable Growth and functions as a common classification system to identify environmentally sustainable economic activities. The Regulation comprises six environmental goals:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

In 2024, the Group mapped all economic activities covered by the Taxonomy Regulation and analysed how they relate to the operations of the business divisions in the context of the six environmental goals. The work resulted in a number of activities being identified as potentially applicable to the KWH Group.

No further work was carried out in relation to the Taxonomy in 2025. However, the KWH Group plans to continue, expand and update its Taxonomy work going forward as part of its ongoing efforts to meet the requirements of CSRD. The activities identified during the 2024 review remain potentially suitable for the KWH Group, including the following:

- 1.2 Manufacture of electrical and electronic equipment.
- 5.1 Repair, refurbishment and remanufacturing
- 5.2 Sales of spare parts
- 5.5 Products as a service and other circular use-oriented and result-oriented service models
- 6.5 Transport by motorcycles, passenger cars and light commercial vehicles
- 6.6 Transport by motorcycles, passenger cars and light motor vehicles
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficient equipment
- 7.4 Installation, maintenance and repair of electric vehicle charging points in buildings (and car parks adjacent to buildings)
- 7.5 Installation, maintenance and repair of instruments and apparatus for measuring, regulating and controlling energy performance of buildings
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings



For an activity to be classified as compatible with the Taxonomy Regulation, three criteria must be met:

1. significant contribution
2. do no significant harm (DNSH)
3. comply with minimum safeguards

The assessment from 2024 remains valid, and the KWH Group has not identified any activities that meet the criteria to be Taxonomy-aligned. However, the Group will continue to assess the opportunities associated with the EU Taxonomy and analyse which of its operations may be relevant in the future.



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## 3. Social matters

The Group has both positive and negative impacts on its own workforce, in both the Group and the business divisions. Creating a safe, secure, inclusive working environment is a top priority. This work also extends to the business divisions' value chains, where the Group works alongside suppliers to ensure that all aspects of human rights are respected and upheld. The KWH Group also has an impact on consumers and end-users through its products. Consequently, product development is a key part of efforts to provide safer and better solutions. The strategic priorities 'Promoting gender equality, diversity and equal treatment' and 'Ensuring a secure, safe workplace' underpin the Group's work on these matters.

### 3.1 Own workforce

#### Impacts, risks and opportunities related to own workforce

For the KWH Group, its employees are a central, valuable resource. Human resources policies are based on the Group's core values, and engagement and expertise are crucial to both current and future success. By fostering a positive working environment and investing in skills development, the conditions are created for growth and increased employee satisfaction. Offering opportunities for development and training is a priority, as is ensuring an equal and fair workplace.

A large proportion of the Group's employees work in manufacturing, which means that health and safety are of the utmost importance. Preventing work-related injuries and creating a safe working environment are therefore essential. Working conditions are a material matter for all business divisions, and the greatest potential negative impact relates to the health and safety of employees carrying out high-risk tasks. At the same time, the business divisions have a positive impact on job security, working hours, fair pay, social dialogue and freedom of association, which are supported by regulations in the countries in which the majority of employees work.





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Equal treatment and equal opportunities are another priority area for all business divisions, with a particular focus on training and leadership development. This impact affects the entire Group and all employees.

**Engagement with the Group's own workforce and employee representatives, the existence of channels through which own employees can raise concerns or express needs, and procedures for addressing these**

The KWH Group strives to work closely with its employees and maintains an ongoing dialogue to exchange perspectives and ideas that contribute to improvements. Cooperation between employers and personnel is based on legislation and existing agreements. Communication is primarily via the subsidiaries by means of performance reviews, employee surveys and incident reporting channels. Some of the business divisions have also introduced additional employee reviews for all members of staff. This opens up another channel for staff to systematically voice their views. There is no Group-wide process for this communication. Each company is responsible for its own procedures.

In the business divisions, KWH Logistics and KWH Freeze conduct two employee surveys a year. Mirka and Prevex also conduct employee surveys on a regular basis, once a year. These surveys provide an opportunity to work proactively, foster dialogue and identify measures going forward. In addition, digital solutions are used for the ongoing reporting of incidents and nonconformities in the workplace, which enhances interaction and safety.

**Management of incoming complaints**

The KWH Group works to maintain a transparent business environment based on integrity and ethical principles. The Group values an open, honest culture in which everyone, both internally and externally, is encouraged to express their views and report risks that may affect individuals, operations or the Group's reputation.

Any complaints or problems should be reported to a line manager, a supervisor, the HR department, internal control or another appropriate contact. The KWH Group has an established whistleblowing channel, Ethics Line, which enables

anonymous reporting of nonconformities and incidents. Anonymity is ensured by means of technical and organisational measures, and the channel is managed by an independent external party. It is available 24 hours a day via the Group's website for reporting actual or potential breaches.

Once a report has been received, the whistleblower will receive confirmation within seven days. The Group's Compliance Team will then assess the matter and take appropriate action. Feedback is given as soon as possible. Information on how personal data is processed can be found in the KWH Group's data protection policy for the Ethics Line reporting channel.

**Actions and resources related to own workforce**

Employees are at the heart of the KWH Group's operations, which is why the business divisions work actively on initiatives that promote well-being, safety and development. Health and safety are of the utmost importance and are managed by means of a structured, proactive approach. For example, several of the Group's business divisions are certified under the ISO 45001 occupational health and safety management system. By monitoring incidents and documenting work-related accidents, areas for improvement are identified, making it possible to plan and implement measures to reduce risks.

To ensure the right skills and create opportunities for development, the Group invests in training and skills development initiatives. Performance reviews are held annually between employees and their line managers, and individual targets are set in line with the company's ambition. In addition to this, the Group offers continuing professional development and leadership development to enhance professional skills.

The KWH Group endeavours to be an employer that promotes gender equality and equal treatment, and discrimination is not tolerated. This work is guided by the Group's Gender Equality and Equal Treatment Policy, and all Finnish companies have drawn up gender equality plans in accordance with Finnish legislation. The aim is to create a fair, inclusive working environment in which all employees have equal opportunities for development.

**Characteristics of the undertaking's employees**

**Number of employees broken down into men and women**

Gender	Number of employees (HC)
Men	2,193
Women	612
<b>Total employees</b>	<b>2,805</b>

**Number of employees in countries**

Country	Number of employees (HC)
Finland	1,861
Germany	166
Italy	161
Belgium	126
USA	95
United Kingdom	56
France	50
<b>Others*</b>	<b>289</b>

\* Countries with fewer than 50 employees.



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**Employees by contract type**

Type of contract	Women	Men	Total
Number of employees (HC)	611.5*	2,192.5*	2,805*
Number of permanent employees (HC)	590.5*	2,121.5*	2,712*
Number of temporary employees (HC)	21	71	92
Number of non-guaranteed hours employees (HC)	16.5*	174.5*	191*
Number of full-time employees (HC)	534.5*	2,119.5*	2,654*
Number of part-time employees (HC)	76.5*	73.5*	150*

\*The decimal values have been rounded up.

**Staff turnover**

Staff turnover 2025	
Number of employees who have left (HC)	280
Staff turnover (%)	10

The data differs from the 2024 report because the previous reporting year included figures for both FTEs and HC.

**Characteristics of non-employee workers in the undertaking's own workforce**

The KWH Group does not systematically rely on non-employee workers as a substitute for recruiting staff. However, there are a small number of staff members who are not employed (non-employee workers) in the Group. Examples of services provided by non-employee workers include consultants who provide the Group with specialist expertise relating to the management and servicing of equipment.

**Number of external staff**

Non-employee workers in the undertaking's own workforce	2025
Self-employed persons (HC)	20
Employees provided by other organisations (HC)	223.5
Others (HC)	1
<b>Total number of non-employee workers (HC)</b>	<b>244.5</b>

**Collective bargaining coverage and social dialogue**

The KWH Group's employees have either employment and working conditions determined by collective bargaining or individual employment contracts with conditions equivalent to those in collective agreements. In 2025, 50 percent of the Group's employees were covered by collective bargaining.

Coverage	Collective Bargaining Coverage		Social dialogue
	Employees in the EEA	Employees outside the EEA	Workplace representatives (in the EEA)
0-19%	Denmark, Finland, Norway	Australia, Canada, China, the United Kingdom, India, Mexico, the United Arab Emirates, Singapore, Turkey, the United States	Germany
20-39%			
40-59%	Germany		
60-79%			
80-100%	Finland, France, Italy, the Netherlands, Spain, Sweden, Portugal	Brazil	Belgium, Denmark, Finland, France, Norway, Sweden, Germany

**Diversity metrics**

Gender	Number of persons (HC)	Percentage
Men	135	80.4%
Women	33	19.6%
<b>Total number</b>	<b>168</b>	

\*Includes both the senior management of the KWH Group and the senior management of each business division.



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**Age distribution of employees**

Age groups	Number of persons (HC)	Percentage (%)
Under 30 years	387	14%
Between 30 and 50 years	1,574	56%
Over 50 years	844	30%
<b>Total number</b>	<b>2,805</b>	

**Adequate wages**

The KWH Group is committed to offering competitive fair pay and benefits that at least meet, and often exceed, national statutory requirements, the requirements in collective agreements and established industry standards. This applies regardless of where operations are conducted. This commitment also applies to compliance with rules on working hours, including management of overtime and correct pay for overtime work.

**Social protection**

All KWH Group employees are covered by social protection under national legislation. The cover includes benefits in the event of illness, unemployment, occupational injuries, acquired disability, parental leave and retirement.

**Training and skills development metrics**

**Annual performance review**

Gender	Percentage of employees
Men	62.7%
Women	69.4%
<b>Total</b>	<b>64.2%</b>

**Average number of hours of training per employee per gender**

Gender	Average number of hours of training
Men	9.5
Women	8.9
<b>Total</b>	<b>9.4</b>

**Health and safety metrics**

Health and safety metrics	2025
Percentage of own workforce covered by the company's health and safety system owing to statutory requirements and/or recognised standards or guidelines	85%
Number of cases of recordable work-related accidents	90
Frequency of recordable work-related accidents	17.8
Number of cases of work-related ill health	2
Number of days lost owing to work-related injuries and deaths as a consequence of work-related accidents, work-related ill health and deaths as a consequence of ill health	942
Number of deaths caused by work-related injuries and work-related ill health	0.0
<b>Workers in the value chain who work on the company's premises</b>	
Number of deaths caused by work-related injuries and work-related ill health	0.0

1. The number of work-related injuries refers to injuries that resulted in sickness absence.
2. The frequency of both work-related injuries and serious work-related injuries is calculated per 1,000,000 hours.

**Work-life balance metrics**

Right to leave for family reasons	2025
Percentage of employees entitled to leave for family reasons	99.4%
<b>Percentage who have taken leave for family reasons</b>	
Men	4.9%
Women	5.9%
<b>Total</b>	<b>5.1%</b>

**Compensation metrics (pay gap and total compensation)**

The KWH Group applies the principle of equal pay for equal work. Remuneration is determined on the basis of factors such as productivity, quality and individual skills, as defined in the Group's general requirements profile. To increase transparency and establish a consistent structure, the Group is working to collate harmonised salary data from the business divisions. This is also in line with the EU Pay Transparency Directive, which must be transposed into national law by June 2026 at the latest. The aim going forward is to compile consolidated data showing any differences in pay and remuneration in the Group and to make this available in accordance with the Directive.



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**Incidents of discrimination and other incidents related to human rights**

During the financial year, no serious human rights violations involving employees of the KWH Group were reported or identified. This applies to cases received both through the internal whistleblowing channel and through the OECD National Contact Points. Consequently, no fines were imposed and no other penalties were incurred.

**Incidents related to discrimination and harassment**

Type of incident	Number of reported cases	Number of cases reported in own channels	Number of cases reported to the OECD National Contact Points
Discrimination	0	0	0
Harassment	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>



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## 3.2 Workers in the value chain

### Impacts, risks and opportunities related to workers in the value chain

The KWH Group is a global actor with business partners on several continents, with the majority of its suppliers based in Europe and its purchasing taking place in Europe. Potential negative impacts on workers in the value chain may occur at various stages. There are known risks in the extraction industry, manufacturing, assembly and transport. Workers in the value chain are essential to the manufacture, assembly and distribution of materials and products, both in the Group's own production and in the provision of services.

The indirect impact on working conditions arises through business relationships with the Group and the suppliers of its business divisions. This may include issues such as equal treatment, employment rights, and health and safety. Particularly vulnerable groups include women, migrant workers, minors, LGBTQ+ people and ethnic minorities, who are at greater risk of facing discrimination or harassment.

The Group is aware of potential negative risks in the value chain, particularly in the transport, logistics and manufacturing sectors, where hazardous work takes place. Furthermore, some suppliers operate in high-risk countries where workers' rights are less well protected. This also applies to the purchase of metals and components from countries where legislation and practices relating to human rights are inadequate.

With this in mind, the KWH Group works actively to promote and respect human rights throughout the value chain. This is achieved primarily through the Group's Business Partner Code of Conduct and systematic supplier monitoring. The Group has a zero-tolerance policy towards child labour and forced labour. If non-compliance with the Code of Conduct is identified or a supplier does not act in line with the Group's values, an investigation is conducted and relevant actions are taken.

### Engagement with workers in the value chain, the existence of channels through which workers in the value chain can raise concerns or express needs, and procedures for addressing these

The KWH Group aims to build long-term, trust-based relationships with suppliers who adhere to the Code of Conduct. To



ensure compliance, regular audits of suppliers' practices are carried out. During the year, the Group also began developing a Group-wide *Human Rights and Environmental Due Diligence Policy*. The policy will set out guidelines for responsible conduct throughout the value chain and include procedures for managing and remedying any adverse impacts that may arise. Each case must be investigated individually and measures tailored to the situation.

The Group works actively to identify risks associated with the value chain and human rights. To further enhance transparency, we will be introducing a formal process for engaging with workers in the value chain, ensuring that consequences and actions are clearly communicated.

Via the Ethics Line whistleblowing channel, suppliers, business partners and workers in the value chain can anonymously report nonconformities or irregularities relating to the Code of Conduct. The channel is managed by an external party and is available 24 hours a day. Suppliers and partners can also report directly to their contact, another appropriate person in management or to the KWH Group Compliance Team.

### Commitment to remediation

The KWH Group's commitment to providing remediation is set out in the Group-wide *Human Rights and Environmental Due Diligence Policy*. The policy is scheduled to be implemented in the coming financial year.

### Actions and resources related to workers in the value chain

The KWH Group will continue to improve due diligence and structured supplier monitoring in the future, and as part of the preparatory work for CSDDD. At present, supplier monitoring takes place at business division level. For example, Mirka uses EcoVadis and KWH Logistics regularly conducts audits of its largest suppliers.

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## 3.3 Consumers and end-users

### Impacts, risks and opportunities related to consumers and end-users

The double materiality assessment shows that consumers and end-users are a material matter for the KWH Group, and more specifically for the Mirka and KWH Freeze business divisions. Given the nature of the products the Group manufactures and distributes, there is a risk of negative impact if the products are used incorrectly. There are also information-related risks, which include the protection of customer data and access to relevant information. Ensuring customer safety is essential, both to prevent personal injury and to minimise legal risks.

For Mirka's products, such as power tools, accurate information is essential to minimise safety risks for the end-user. That is why, the Group ensures that product manuals and user instructions are clear. The main risks associated with KWH Freeze relate to the incorrect handling of goods or breaks in the cold chain, which can result in financial losses for customers. The business divisions work constantly to improve processes and safety procedures.

Alongside the risks, there are significant opportunities. By developing lighter and more user-friendly products, the KWH Group can reach a wider customer base. Mirka conducts product tests with people of different genders and nationalities to ensure ergonomics and usability. The aim is to provide sustainable, ergonomic solutions that enhance customers' work processes. Sustainability is an integral part of this work, and Mirka works closely with customers to develop products that combine functionality with environmental responsibility.

### Engagement with consumers and end-users, the existence of channels through which consumers and end-users can raise concerns or express needs, and procedures for addressing these

The KWH Group values customer feedback as a key part of its ongoing development. The Group encourages consumers and end-users to share their experiences, make suggestions and ask questions about its products and services.

To facilitate dialogue, the Group's business divisions offer several channels for feedback, via both formal communica-



tion channels and direct customer contact. This is done via customer service, customer surveys and, indirectly, reviews collected via retailers. For example, Mirka uses a Customer Relationship Management (CRM) system that enables a customer-centred approach, strengthens relationships and makes it easier to meet customer needs.

At present, there is no Group-wide process for compensating consumers and end-users, but work is under way to formalise this. The Group's Human Rights and Environmental Due Diligence Policy will set out procedures for addressing any negative impacts that may arise. Each case is investigated individually and measures are tailored to the situation.

### Actions and resources related to consumers and end-users

The KWH Group works continuously to monitor the views of consumers and end-users to prioritise and meet their needs.

Mirka takes a proactive approach to product development to create safer products for its customers, including by reducing the chemical content and dust formation in its products. During the year, some products that generate dust were fitted with extraction systems. Mirka also launched vacuum cleaners with powerful suction which can be used for longer periods than before, resulting in greater efficiency. Mirka is also active in the trade associations FEPA (Federation of European Producers of Abrasives) and EPTA (European Power Tools Association). FEPA sets out specific safety criteria, while EPTA's members base their product design on international safety standards (IEC).

KWH Freeze focuses on maintaining safe goods handling processes and ensuring the cold chain. To ensure food safety, KWH Freeze is certified to FSSC 22000 (Food Safety System Certification).



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# 4. Corporate governance

Business conduct is a cornerstone of the KWH Group's approach to running and developing a responsible business. A clear framework for governance and ethics ensures that decisions are made in a transparent, fair and sustainable manner. This work is based on the Group's strategic priorities to 'work diligently on business ethics and ESG throughout the value chain' and 'ensure ESG implementation through long-term responsible ownership'.

**Impacts, risks and opportunities related to business conduct**

As the owner, the KWH Group has a direct influence on how responsibility and business ethics are put into practice in the companies that make up the Group. Through clear expectations, governance and monitoring, the Group shapes the culture and standards governing how decisions are made, how employees conduct themselves and how relationships with customers and suppliers are built.

The greatest risk in this area is that shortcomings in internal control, regulatory compliance or ethics could damage confidence in the Group. Unclear lines of responsibility, a lack of transparency or insufficient training can create opportunities for irregularities or decisions that are not in line with the Group's values.

At the same time, effective governance offers significant opportunities. By taking a systematic approach to business ethics, skills development and clear monitoring procedures, the KWH Group can prevent risks, strengthen its internal culture and create a safe, responsible environment for both employees and business partners. Furthermore, consistent and credible governance enhances the Group's appeal as an investor and employer.

**Actions related to business conduct**

The KWH Group has a stated zero-tolerance policy towards corruption and bribery, as set out in the Group's Code of Conduct. The Code sets out how employees should act in

situations where corruption or bribery may occur and how suspected irregularities should be reported.

In 2025, the Group undertook a comprehensive review to strengthen its anti-corruption efforts.

High-risk functions were mapped, responsibilities were clarified, and new procedures for reporting and follow-up were introduced. All business divisions underwent training in business ethics and anti-corruption, and the Group developed its governance framework by integrating relevant governance issues in the ESG handbook and the business divisions' processes. These initiatives helped further strengthen internal controls and embed a culture of transparency and integrity in the Group.

**Metrics related to incidents of corruption or bribery**  
**Confirmed incidents of corruption and bribery**

Corruption incidents and judgments	Number
Number of convictions and fines for offences against anti-corruption and bribery laws	0
Fines for offences against anti-corruption and bribery laws (EUR)	0
Number of confirmed incidents of corruption and bribery	0
Number of confirmed incidents in which own employees have been dismissed or disciplined for corruption-related or bribery-related incidents	0
Number of confirmed incidents of contracts with business partners having been terminated or not renewed owing to offences related to corruption and bribery	0

**Prevention and detection of corruption and bribery**

Training coverage in anti-corruption and bribery	2025
Number of employees in high-risk roles*	622
Number of employees in high-risk roles who receive training	339
Percentage of employees in high-risk roles who receive training	54.5%

\*The business divisions have used different definitions of the term 'high-risk roles'. The KWH Group continues to work on standardising the definition and improving data quality.

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## 5. Responsible investment and ownership

Responsible investment and ownership remained a material matter for the KWH Group in 2025. The Group's strategy is based on being a long-term, active owner that creates value in its business divisions and helps develop successful companies. Integrating sustainability in operations is essential for long-term value creation, and the ESG strategy serves as the overarching framework for this work.

The Group's ESG handbook, which provides practical guidance to the business divisions, is used to support the implementation of the strategy. In 2025, work continued on applying the handbook to investments and monitoring, and it is updated as necessary to reflect new requirements and experiences.

The KWH Group considers sustainability aspects to be an integral part of its investment activities. Environmental, social and governance factors are taken into account alongside financial considerations to ensure responsible, long-term value creation. The Group works closely with its business divisions to strengthen their ability to operate sustainable business models and make well-informed decisions throughout the value chain.

For new investments, an in-depth ESG analysis is carried out to provide an overall picture of the company's maturity in the area of sustainability. The analysis aims to identify both risks and opportunities relating to environmental, social and governance issues. The assessment also covers how companies operate in line with the UN Global Compact and other relevant international guidelines and regulations. The insights gained are used as an integral part of the decision-making process for investments and complement the financial assessment.

As a long-term, active owner, the KWH Group maintains close ongoing dialogue with its business divisions. By means of clear governance, Board representation and ongoing mon-



itoring, the Group helps ensure that its operations develop in line with the Group's objectives and values. This means that resources are prioritised strategically, policies and working methods are designed in an ethical and responsible manner, and sustainability work is carried out effectively in each business division.

The KWH Group has not yet set any Group-wide targets relating to responsible investment and ownership, but any future initiatives and decisions are assessed on an ongoing basis.



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# 6. Disclosure requirements in ESRS covered by the sustainability report

The table below is a list of the disclosure requirements that formed the basis of the KWH Group's 2025 sustainability report. Please note that the 2025 sustainability report is an initial alignment with CSRD and ESRS, and that full compliance is not guaranteed for each disclosure requirement.

ESRS standard	Disclosure requirement	Page reference
<b>General disclosures</b>		
<b>ESRS 2</b>	Basis for the preparation of the sustainability statement	9
	The role of administrative, management and supervisory bodies in relation to sustainability	10
	Integration of sustainability-related performance in incentive schemes	10
	Statement on due diligence	11
	Risk management and internal controls over sustainability reporting	11
	Strategy, business model and value chain	12
	Interests and views of stakeholders	12
	The interaction between material influence, risks and opportunities and strategy and business model	13
	Description of the processes to identify and assess material impacts, risks and opportunities, and material information that will be reported	15
	General disclosure requirements for policies	16
	Actions and resources in relation to material sustainability matters	16
	General disclosure requirements for targets	16



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<b>E1 – Climate change</b>	Impacts, risks and opportunities related to climate change and energy use	18
	Transition plan for climate change mitigation	19
	Climate-related risks and scenario analysis	19
	Resilience to climate change	19
	Actions and resources for climate change	19
	Energy mix and efficiency enhancement metrics	19
	Gross Scopes 1, 2, 3 and Total GHG emissions	20
	GHG removals and GHG mitigation projects financed through carbon credits	21
	Internal carbon pricing	21
	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	21
<b>E2 – Pollution</b>	Impacts, risks and opportunities related to pollution	22
	Actions and resources related to pollution	22
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