

CORPORATE RESPONSIBILITY REPORT 2023





PUUSTELLI IN BRIEF

Puustelli Group Oy is a financially-sound Finnish family-owned enterprise which manufactures high-quality kitchen furniture at its production facilities in Harjavalta. Puustelli has been market leader in its field for many years and is at the forefront of developing more ecological ways of working and an environmentally friendly furniture industry in Finland. In 2023, Puustelli Group Oy had turnover of around €99,2 million. The company employs around 390 people, as well as around 400 people full-time in our store, installation and transport networks.

Puustelli Group Oy is part of the Harjavalta Group, a Finnish family enterprise established in 1920. The Group also includes prefab home manufacturers Kastelli Group Oy, a market leader in Finland, as well as construction and building services company Lapti Group Oy. In 2023, the Harjavalta Group had 1,156 employees and turnover of around €407 million.

Puustelli kitchens are sold to consumers in around 40 stores across Finland and to construction firms through our own project sales organisation. Puustelli is also a strongly internationalising organisation. Besides being sold in Finland, Puustelli kitchens are also exported to Sweden, the UK and Estonia. The ecological Miinus kitchen range is also additionally exported to the United States. In 2023, exports accounted for about 8% of turnover.

Puustelli kitchens have always been known for their high quality and Puustelli is a strong brand. Surveys show that Puustelli is Finland's largest kitchen manufacturer and the best-selling kitchen brand since back in 1983.*

*Rakennustutkimus RTS Oy: Surveys of single-family home builders 1983-2023





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CEO'S REVIEW

Responsibility is a key part of Puustelli's day-to-day operations, management, and strategy. Our ambition is to be the leading responsible actor in the industry in Finland and the Nordics. We make decisions taking responsibility aspects into account and want to offer our customers the most responsible and environmentally friendly products and services. We want to provide our customers with as much information as possible about our products to support responsible choice. Our future goal is to offer our customers recycling services for old furniture.

Improving operational efficiency, equal remuneration, combating discrimination and bullying as well as processes that are environmentally friendly and as flawless as possible are at the core of good, responsible management. Well-being and competent personnel are the key to our customers' satisfaction, as well as to the continuity and future of our company.

Responsibility means deeds and actions. We set both short- and long-term responsibility goals for our operations. We draw up a plan, goals, and indicators for each area of responsibility. We monitor the implementation of the sustainability roadmap at the management team level. In 2023, we managed to improve our operations in many respects and the material indicators relevant to our corporate responsibility stated in the corporate responsibility report tangibly show this. For example, we have switched

to emission-free means of transport within the furniture factory.

Our company has an ISO 9001 quality management system, an ISO 14001 environmental quality management system and an ISO 45001:2018 occupational health and safety management system. The systems are certified and cover a wide range of functions related to the factory, supplier network, stores, installations, and transportation. In 2023, no significant deviations were detected in the audits, which further verifies the quality of our operations.

Puustelli Group Oy's business environment was challenging in 2023. The market situation for kitchen furniture became difficult in autumn 2023 as residential construction declined by approximately 40% from the previous year's level. The total volume of the Finnish kitchen furniture industry decreased by approximately 25% compared to 2022. Due to the difficult market situation, our net sales decreased by 16.6% from 2022 to €99.2 million. The company's operating profit also decreased clearly to €0.6 million due to lower volume and higher cost levels. The furniture factory's delivery volume decreased by a total of 17.2%. Project sales delivery volumes in Finland decreased by 8.5%. The situation was also challenging in Sweden, and the company's net sales in Sweden decreased. Exports accounted for approximately 8% of net sales. As a result of lower demand, the company adjusted its production volume

in autumn 2023 through temporary layoffs.

Our market share continued to grow significantly in the B2C and B2B markets in Finland. Puustelli Group Oy is the largest kitchen furniture factory in Finland in terms of turnover. We have been the undisputed market leader in consumer sales for about 40 years. About 40% of single-family home builders and about 15% of renovators choose Puustelli as their kitchen brand. Our market share of furniture deliveries for prefab house factories and construction companies continued to grow, and we are also the leading furniture supplier on Finland's project sales market.

Difficulties remained in the availability of materials and supplies. This caused challenges to the furniture factory's delivery reliability, and the complaint costs exceeded the target level. Towards the end of the year, the availability of materials and the quality level of deliveries improved significantly.

Customer satisfaction is at the core of our strategy. We keep track on consumer customer satisfaction in real time. We use the Net Promoter Score (NPS) index as our metric. We scored an NPS of 71 in consumer sales in Finland. The result can be considered very good in the industry. Our goal is an NPS of 70. Customers are very satisfied with our products and the functionality of the kitchens, and even after a year of use, our customers NPS is 68 and we are



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particularly proud of this.

We studied the satisfaction of our corporate customers in March 2024 with telephone interviews conducted by an external party. The satisfaction of our corporate customers in 2023 was at an excellent level with NPS 61 (46). We received particularly good feedback concerning the professional knowhow and willingness to serve of our employees. There is room for improvement in the speed of handling problem situations.

The average number of personnel (FTE) was 390 (379). The results of last year's work atmosphere survey were eNPS 11 and we cannot be fully satisfied with this result. Based on the annual survey feedback, we are introducing several measures to improve things. Building on the competence of our people, more extensive onboarding for new employees, improving good cooperation and communication flow across the organization are important goals for us. A good and attractive employer image is important to us.

A safe work environment is integral to our operations. Each of us must strive for the goal of 0 occupational accidents. Lost time injury frequency in 2023 was 22,7 lost time injuries per million hours worked. We didn't reach our goal, which was 18. The level of accidents decreased significantly from the previous year through safety projects,

safety observations and 5S operations. A record number of 1137 safety observations were made.

The company's investments amounted to €3.6 million. More production space was built for the cabinet factory and investments were made in a new assembly line for special cabinets. Significant investments were made in the furniture factory's infrastructure and electricity supply. Our investment decisions emphasize increased production capacity, efficient use of raw materials, quality performance, safety at work and improved productivity. When planning investments, alternative calculations of the environmental impacts of investments are also prepared. The company has a strategy-based investment program until 2027.

Good governance, i.e. reliable and transparent financial reporting is a fundamental requirement for our business. We have a whistleblowing channel. We require our employees, all our suppliers and other partners to commit to the company's Code of Conduct. No violations of the Code of Conduct were reported during the year.

We continuously develop our products and launch new ones four times a year. Our product development emphasizes functionality, durability, safety, and low-emission materials. Training of our salespeople emphasizes the importance of choosing ecological products. We aim to provide our customers with eco-friendly, sustainable

products. We invest in the positive carbon handprint of our products, thereby enabling our customers to have a smaller carbon footprint in their own operations. Feedback from customers is important in developing operations.

The company's major focus on improving social responsibility will continue in 2024 in line with the strategy and various programs. In our own production, we aim to improve occupational safety, reduce energy consumption, reduce raw material waste, and increase recyclability. We are committed to carbon-neutral production by 2035. Supply chain transparency is highlighted in cooperation with logistics partners. Extensive utilization of the circular economy is one of our key development projects.

My thanks to our employees, sales organization, and partner network for their commitment to responsible operations and their development. We can be pleased with our performance in 2023. We develop our operations in accordance with the goals and plans set in the long term. Much remains to be done for the coming year as well.

Jussi Aine
CEO



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YEAR 2023

€99m

TURNOVER
2022: €119m

€0,6m
OPERATING PROFIT
2022: €8m

8%
EXPORTS
2022: 11 %

NPS 71
PUUSTELLI CUSTOMER SATISFACTION
2022: NPS 66

NPS 61
PUUSTELLI PRO CUSTOMER SATISFACTION
2022: NPS 46

eNPS 11
EMPLOYEE PROMOTER SCORE
2022: eNPS 21

1137
SAFETY OBSERVATIONS
2022: 628

23
LTI/MILLION HOURS WORKED
2022: 29

390
EMPLOYEES
2022: 379



NATURAL STEPS – PLAN GUIDES OUR RESPONSIBILITY WORK

Natural Steps sustainable development plan helps us to guide our projects towards more sustainable furniture production. The program is an integral part of the implementation of our company's strategy and an essential element of everyday management. As a forerunner we want to increase the environmental awareness of our customers and to bring to market the most ecological material alternatives. The Natural Steps Program has defined the responsibility goals and measures for all our areas, the most important of which are responsible sourcing, product development promoting the circular economy and carbon-neutral production. The goals are tied to five UN Sustainable Development Goals. Our in-house responsibility working group defines the targets and assesses the effectiveness of our measures on a monthly basis.

We have mapped the environmental impacts of our products and, based on this, have drawn up a sustainability roadmap that focuses especially on the most significant environmental impacts of our production and procurement.



Our ambition is for completely carbon-neutral production by 2035. Most of the environmental impacts originate in the manufacture of the materials we buy. Our longstanding, robust supplier relationships facilitate cooperation in developing a more sustainable furniture industry.

RESPONSIBLE PRODUCTS STAND THE TEST OF TIME

Puustelli quality has been trusted for decades. The

sustainability of our products is the cornerstone of our responsibility. During the past year, our consumer customers felt that the functionality of Puustelli products and the kitchen had been at a very good level (NPS > 68) after one year of use. Puustelli's entire index of consumer customers exceeded the target level nicely, settling at level 71 and in project business at level 61. Our goal for the year under review was to reach Puustelli's NPS recommendation level of 70. We monitor our customer satisfaction with continuous and accurate NPS measurement, so that we can immediately target our development measures at just the right things.



SUSTAINABLE VALUE CREATION

We strive for sustainability in everything we do. Our environmental programme extends to every area from production development to installation and use.



PRODUCT DEVELOPMENT. Our production development team works constantly to create longer-lasting, better quality and more ecological products. We weigh up the need for the product and strive to create the required end result with less material. We aim each year to make 10 ecological product changes and to replace 10% of the raw material we use with recycled, bio-based or low-carbon materials every year.



SOURCING. Information on the origin of the materials we use is our first and foremost selection criterion. Our unbroken supply chain ensures an uninterrupted flow of information between the origin of the materials and the production methods. We ensure that all our wood-based materials come from PEFC or FSC sources. We require all our suppliers to sign our ethical guidelines and actively audit our suppliers' way of working with regard to humanitarian and environmental aspects. We aim to perform five broader responsibility audits of our suppliers each year.



MANUFACTURE. All the electricity we use in production has been generated by hydropower or using our solar power system. Our production facilities comply with ISO quality management, environmental management and OHSAS standards. Some of our products have also been approved for inclusion in the Nordic Swan Ecolabelling building products database. The FI mark and the Key Flag Symbol, which indicates Finnish work, also indicate high-quality production in accordance with the standards. From the beginning of this year, all work situations based on subcontracting at the factory will be subject to the Reliable Partner network in accordance with the Act on the Contractor's Obligations and Liability.



SALES. Our knowledgeable sales team plans kitchen solutions that stand the test of time for customers' current and future needs. We train our sales people so that they can answer customers' questions about ecological material choices and energy-efficient lighting and household appliance solutions. Our goal is to bring information about the product's environmental footprint to the customer.



DELIVERY. We plan and optimise transport and the space used carefully depending on load direction. We have also introduced carbon footprint calculation as part of monitoring emissions from our deliveries. We aim to implement deliveries using 100% fossil-free fuels during 2025.



CUSTOMER. More than 90% of our products are in the M1 category, which is the best indoor air quality rating. This is how we ensure clean indoor air in the customer's home. We offer our customers an ecological kitchen concept with sustainable materials, energy efficient household appliances and waste sorting solutions to facilitate recycling.



RECYCLING. Our ambition is to be able to include old kitchen materials in the circular economy. We are continuously developing ways to minimise the waste both in our production facilities and at our customers. The frames in our Puustelli Miius kitchens are made of fully recyclable biocomposite. We use the waste generated in production as a power source in production. Our future goal is to utilise waste material as a side stream for new products.



SUSTAINABLE DEVELOPMENT GOALS

We aim to promote gender equality in accordance with our equality plan.

We aim to make 10 ecological product changes each year.

We aim to reach an eNPS of 50.

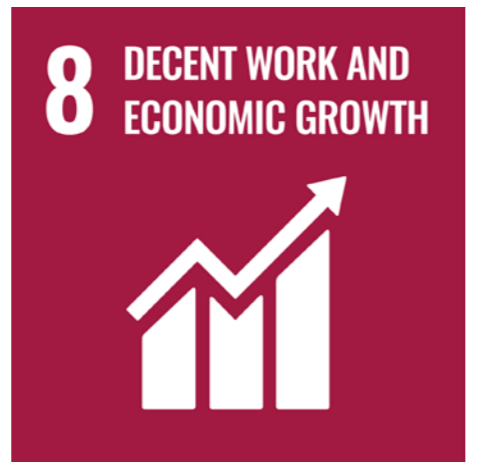
We aim to have carbon-neutral production in 2035, also regarding indirect emissions.

We aim to make the waste generated in our production part of the circular economy.



EQUALITY IN THE WORKPLACE

All employees have equal opportunities to succeed and develop in their own work. Gender must not be a discriminating factor at any point in the employment relationship. Puustelli has an equality and non-discrimination group which comprises employees and management as well as a remuneration working group. These groups discuss and assess the implementation of equality with regard to jobs and remuneration.



PRODUCT DEVELOPMENT PROMOTING THE CIRCULAR ECONOMY

We only make products to order and each year we test several recycled raw materials in our production. Our bioframes have been made from fully recycled biocomposite. We strive to increase the share of recyclable waste in our production each year. We study ways to make our customers' old kitchens part of the circular economy.



GROWTH, SUSTAINABLY

We advocate Finnish work and invest in the wellbeing of our employees. We create economic growth for Satakunta and ensure the retention of jobs by investing in our efficient production in Harjavalta. We have integrated sustainable development into our sourcing processes. We require all our raw material suppliers to sign our Code of Conduct and audit suppliers each year.



CARBON-NEUTRAL PRODUCTION

We have reduced direct emissions at our production facility by 76% since 2019. Going forward, we will among other things use fossil-free fuels to deliver our products, improve the energy efficiency of the production facility through solar power and build on the environmental awareness of our employees.



SUSTAINABLE USE OF FOREST RESOURCES

We ensure sustainable forest by using only 100% PEFC or FSC wood. We use waste wood from our production in heating but are studying ways in which we can make it part of the circular economy. We aim to replace virgin materials with recycled, biobased or low-carbon raw materials.



SUPPLY CHAIN



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RESPONSIBLE AND TRANSPARENT SUPPLY CHAIN

Puustelli's responsibility begins with the sources of the materials we use. We must know the origin of the materials, the labour used in making them and how much they burden the environment. From the responsibility aspect, we source most of the materials we use from low-risk areas – Finland and elsewhere in Europe.

SUPPLY CHAIN RESPONSIBILITY DISCUSSIONS

During the past year, we began broader responsibility discussions with our long-standing suppliers. The focus of the discussions is more ecological choices of material, social and financial responsibility in the supplier's procurement chain, and packaging materials. Our ambition as market leader is to move the industry towards more sustainable furniture-making and this requires close cooperation and innovation with our supply chains. We perform five broader responsibility audits at suppliers' factories each year.

100% OF FACTORY DATA IN OUR SYSTEM

In 2023, we collected factory data for each of our product titles. We use this information to increase transparency in the value chain.

During the current year, we will also prepare a broader analysis of responsibility risks for our supply chain. All the

MEASURES IN 2023

- 100% of factory data in our system
- We performed 5 broader responsibility audits
- We sent a sustainability surveys to our suppliers

wood used in our products originates from PEFC or FSC sources. This enables us to ensure that also after felling, the forests retain their characteristic habitat.

We require responsible business practices throughout our



supply chains and this is why all our suppliers have signed our Code of Conduct. The Code takes a position among other things on ensuring fair labour conditions, taking into account environmental aspects, unfair competition practices, the prevention of corruption and bribery, as well as employee safety and wellbeing. Under the Code, we require our suppliers to also ensure responsible manufacturing practices in their own supply chains. We will update our Code of Conduct during the current year, responding to the obligations of sanctions listing, for example.

Regular supplier audits are an essential part of our supplier relationship management. New suppliers undergo an extensive audit process, where we establish product quality, labour conditions and environmental impacts on site at our suppliers. Each year, we also perform five follow-up audits where we verify on site the quality of the products and responsible manufacturing practices of suppliers we have used for years. In 2023, we reached our target of five audits.

Our supply chain comprises 128 suppliers, of which 91 are Finnish and 37 international. In 2023, we bought materials and services totalling around €60.3 million.



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LASTING PRODUCTS WITHOUT COMPROMISING ON SAFETY

Product quality and safety are a key part of our responsible operations. Since we make quality products that stand the test of time, the need for new materials is decreasing. Our products are tested in our own and in third party laboratories. Twice a year, external auditors review the new products in our collections and test the safety and quality of them in accordance with the certification requirements of numerous FI standards. Our ISO 9001, 14001 and 45001 certificates,

which are also internationally recognised, communicate our commitment to continuously improve quality, product safety and the environment.

In our own test laboratory, we carry out tests to measure the mechanical, chemical and heat tolerance, and the environmental stress of our materials. We ensure that our products comply with the standards for fixtures and with Puustelli's internal quality criteria. When selecting new materials, we receive the test results which help us to choose the material best suited for the purpose from among a number of similar materials. We test the overall durability and deflection of our frames by overloading them. We test environmental impacts by stress measuring moisture resistance and we use a UV cabinet to simulate sunlight so that we can see how the materials react to the impacts of many years of sunlight. We spread the cleaning agents and foods widely used in homes on top of the material surfaces for several days so as to ensure the materials retain the quality of their surface.

M1 – THE BEST INDOOR AIR QUALITY RATING

The M1 symbol indicates that the product is clean and that it does not cause irritation or odour nuisances. We require a lot of our products, which is why more than 90% of Puustelli products belong to the best indoor air quality category. We test the emissions of all new materials in a chamber test to determine the volatile compounds such as VOC/TVOC, ammonia and formaldehyde and by organoleptic evaluation to ascertain the percentage of odours that irritate the respiratory tracts. We treat the surface of solid wood and veneered products with a natural oil or water-borne stains and varnishes. In addition, wood doors receive UV treatment to dry the surface of the product already at the production facilities. UV treatment reduces changes in colour caused by natural light.





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MORE ECOLOGICAL MATERIALS FOR THE COLLECTION

Responsibility has been integrated into our strategy and we want to respond to the demands both of customers and the environment for more sustainable furniture. The main material in a bioframe is biocomposite, which has a formaldehyde content of 0% and can be fully recycled. A bioframe can withstand re-attachments many times more than a conventional frame and as trends change can be modified from a shelf cabinet into a set of drawers or even a glass cabinet. A bioframe allows furniture to be recycled either in the customer's home or in a completely new location. We have delivered bioframes to projects requiring ecological values both in Finland and worldwide.



MEASURES IN 2023

- We replaced some of the glass shelves with recycled aluminium
- We replaced one door family's MDF board with a low-carbon HDF board
- We reduced the amount of isocyanate

an entire door family with MDF core plate with a low-carbon HDF board. We reduced the amount of isocyanate used in production. During the year, we carried out several tests on more ecological materials and worked together with suppliers to make environmentally friendly materials meet our quality requirements.

Our ambition of carbon-neutral production requires studies on the exact environmental footprints of materials and raw materials. Our product development aims to make 10 ecological product changes each year and to replace 10% of the virgin material we buy with recycled, biobased or low-carbon raw material. During 2023, we replaced some of the glass shelves in the fan cabinets with shelves made of recycled aluminium and reduced the amount of raw materials for many products, as we can achieve the desired result even with less material. We also replaced





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RESPONSIBLE MANUFACTURING

REVIEW OF 2023

During the year we invested in new production lines and plant buildings. Under our 5-year investment plan, we continued to increase production capacity with regard to equipment and production facilities.

Our customer complaints increased by 3,3% and we managed to reduce transport damage by 4%. We aim to increase the NPS of drivers and good results from training resulted in the NPS rising to 67.

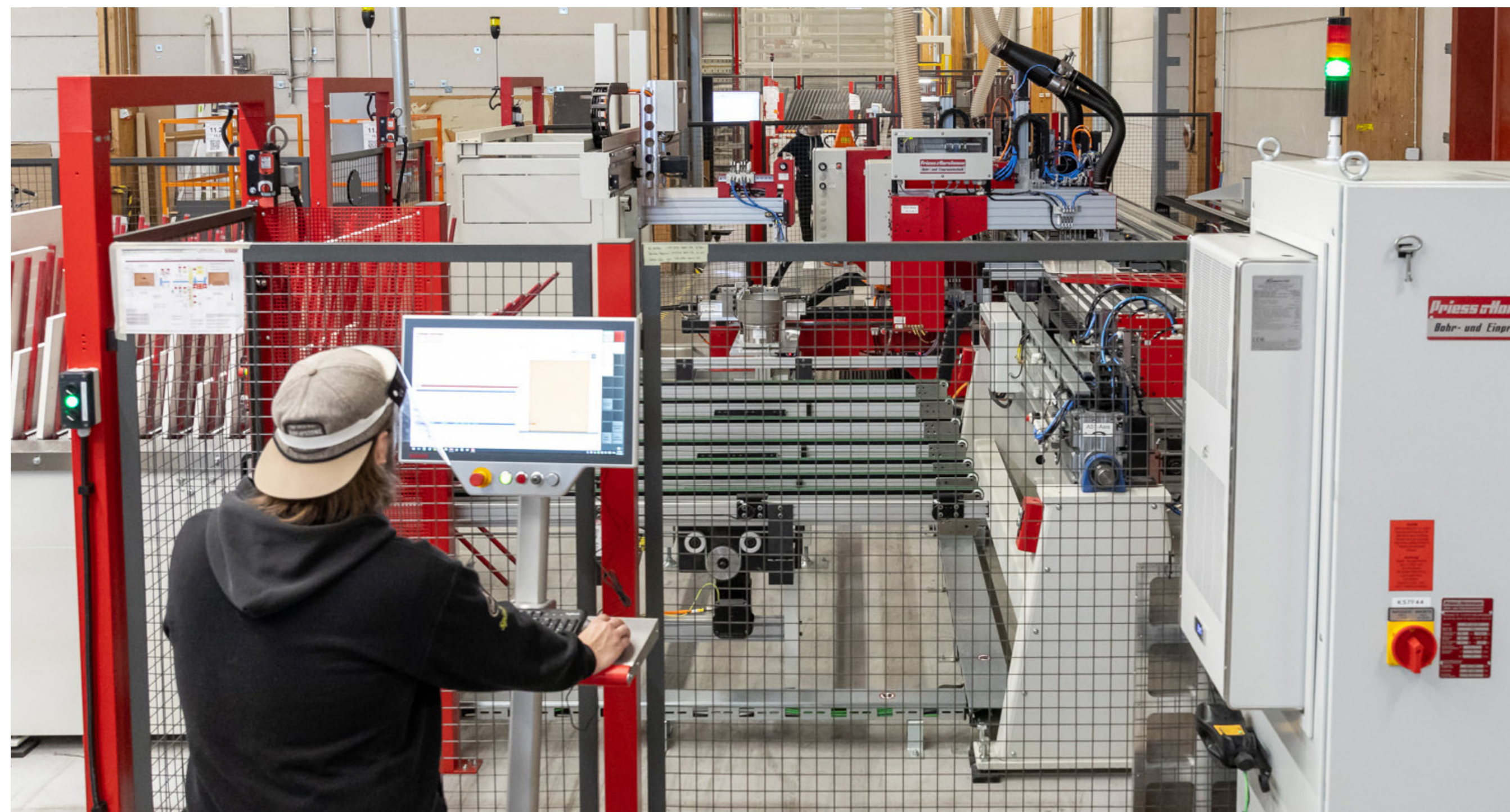
MEASURES IN 2023

- We reduce the transport damages by 4%
- We reduce the amount of mixed waste by 19 %

Our production facilities have excellent skills and capability to also service equipment spare parts, which helps us to manage risks facing maintenance of our production capacity. We mainly employ local entrepreneurs in other general maintenance work at our production site. From the beginning of this year, all work situations based on subcontracting at the factory will be subject to the Reliable Partner network in accordance with the Contractor's Obligations and Liability Act.

RENEWABLE FUEL FOR THE PLANT SITE

The solar power plant installed on the roof of our production facilities generated 33,780 KWh of solar power for us last year. We aim to extend our solar power plant during 2025.



We have a 12-person maintenance team responsible for the upkeep of buildings and machinery at the plant. Our maintenance people work hard to ensure continuous, efficient production in line with our machine-specific proactive servicing programme. Extending the technical life of machinery reduces the need for investment and in turn our carbon footprint.

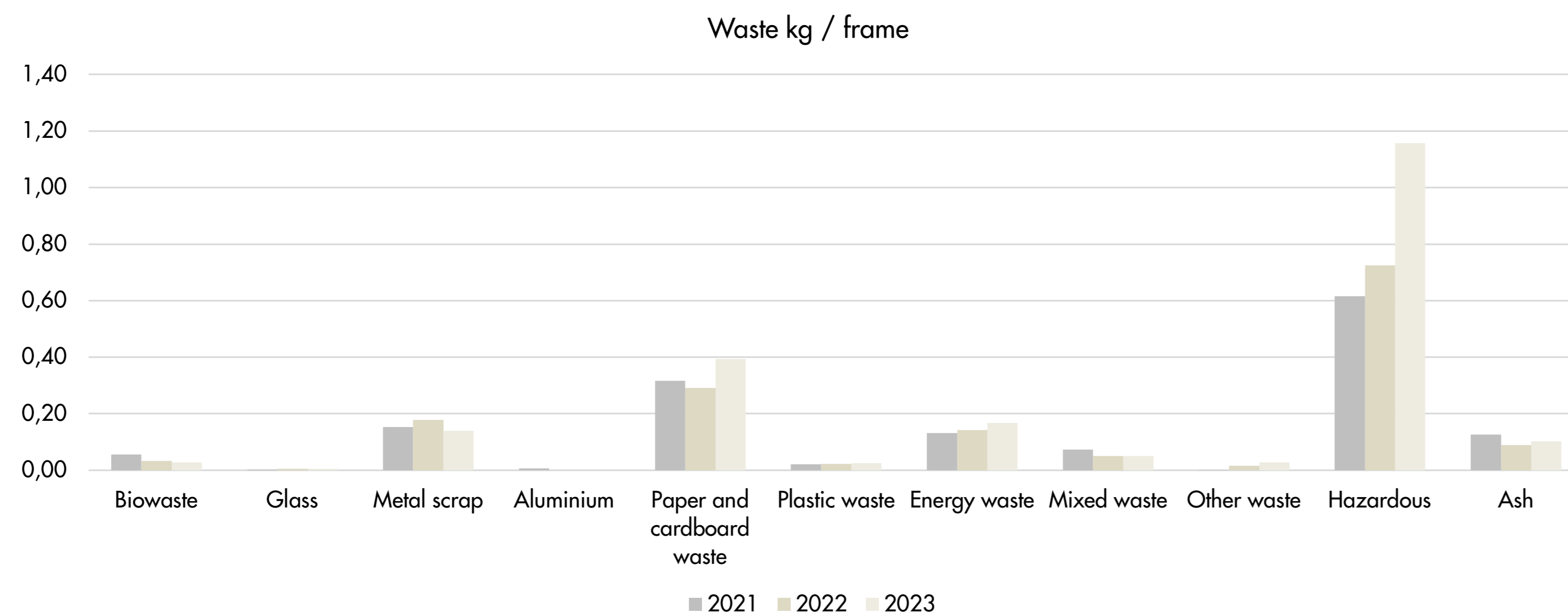


WASTE

Our entire waste processing is handled by Lassila & Tikanoja Oy's services who effectively promote the circular economy. Despite higher production volumes, we successfully managed to reduce the amount of mixed waste by 19% by among other things recycling plastic and cardboard. Our waste re-use percentage was 28% of our entire waste amount. The waste classified as hazardous waste at our production facilities is our most significant waste component and

originates from the washing water used in washing coating machinery. Most of this hazardous waste is water which we have not yet managed to evaporate as part of the process. Due to increased production volumes and varies range of shades, the amount of hazardous waste increased by 27%.

WASTE t/v	2023	2022	2021
Bio waste	5	8	12
Glass	1	1	1
Metal	26	42	32
Aluminium	1	1	2
Paper & cardboard	73	68	66
Plastic	5	5	4
Energy waste	31	33	28
Mixed waste	9	12	15
Hazardous	215	169	129
Ash	19	21	26
Other	4	4	5
Total waste	391	363	321
Recycling & re-use	111	124	119





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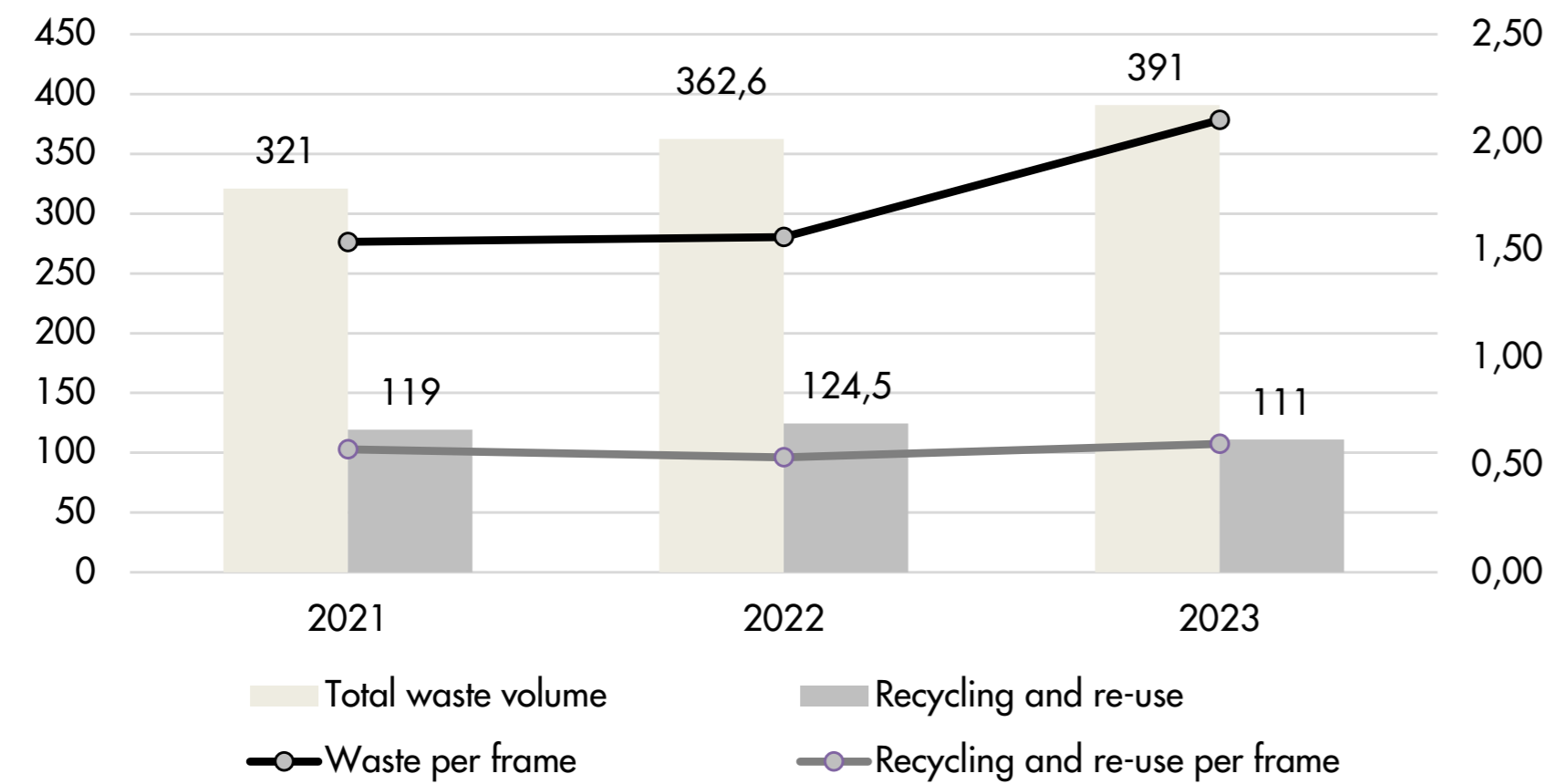


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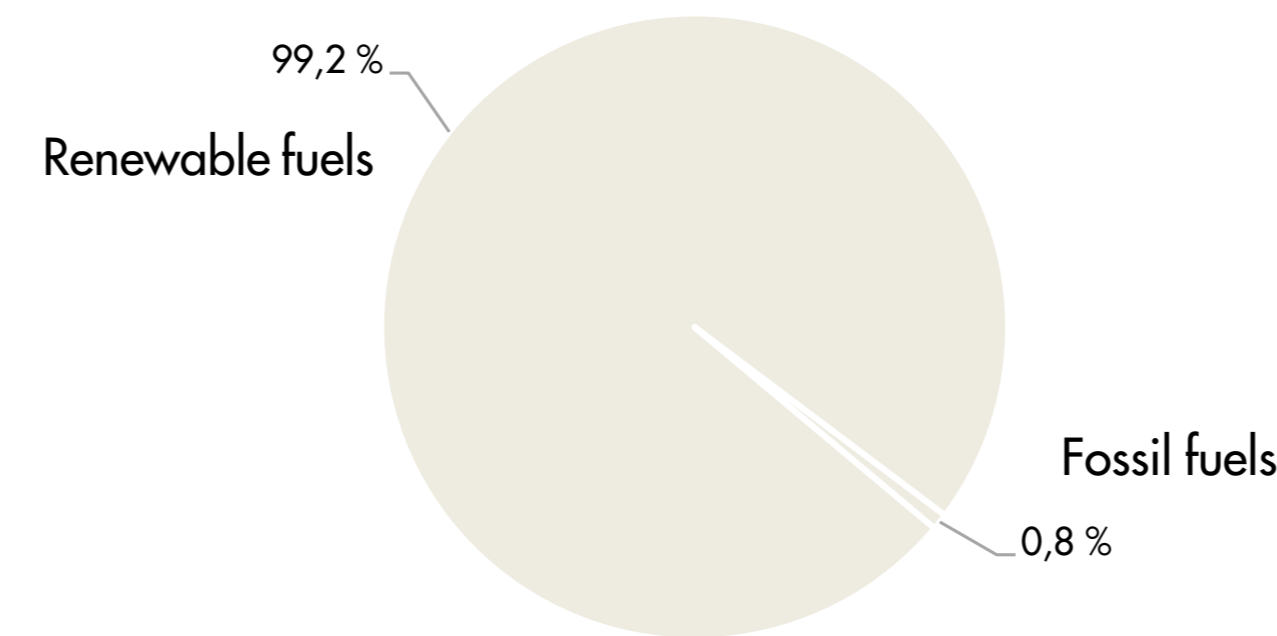


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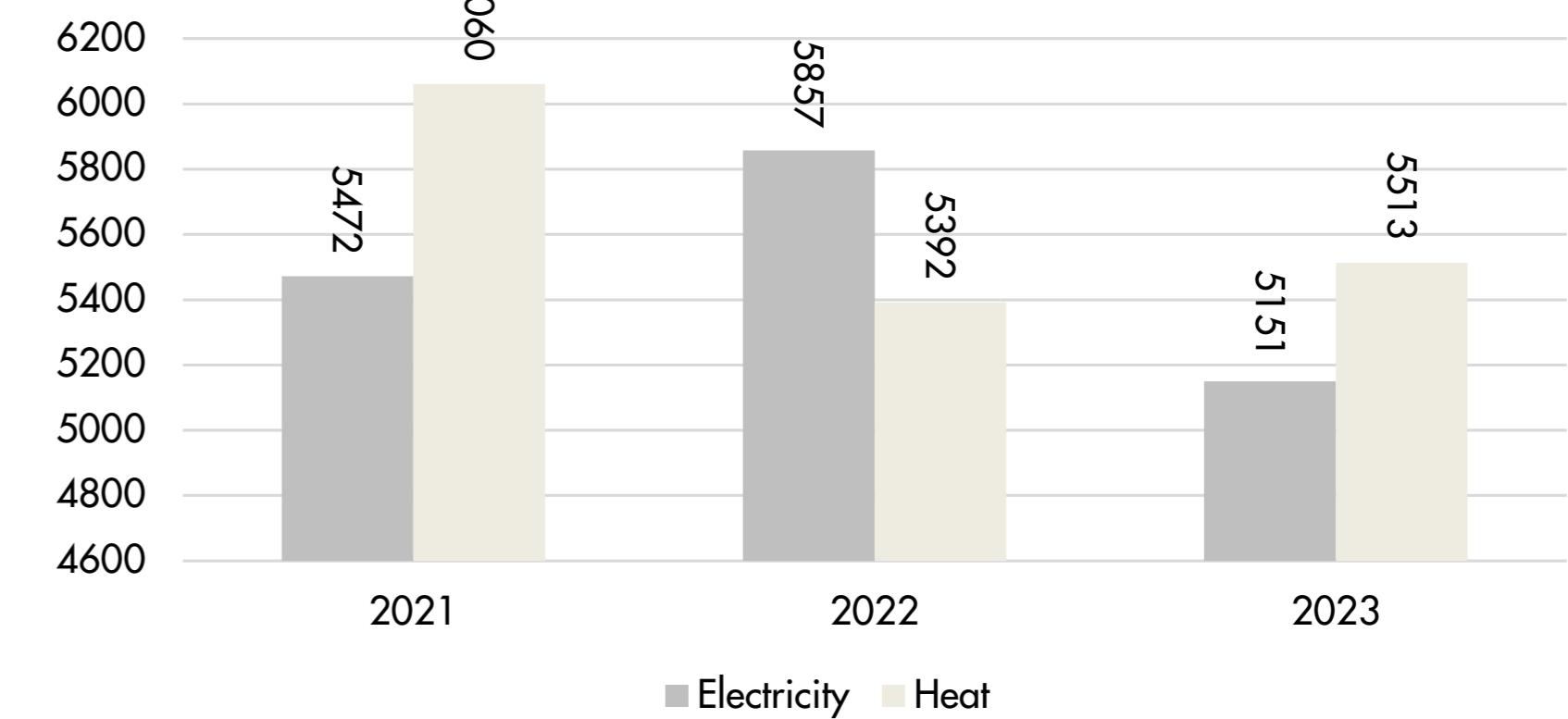
Waste and recycling, kg



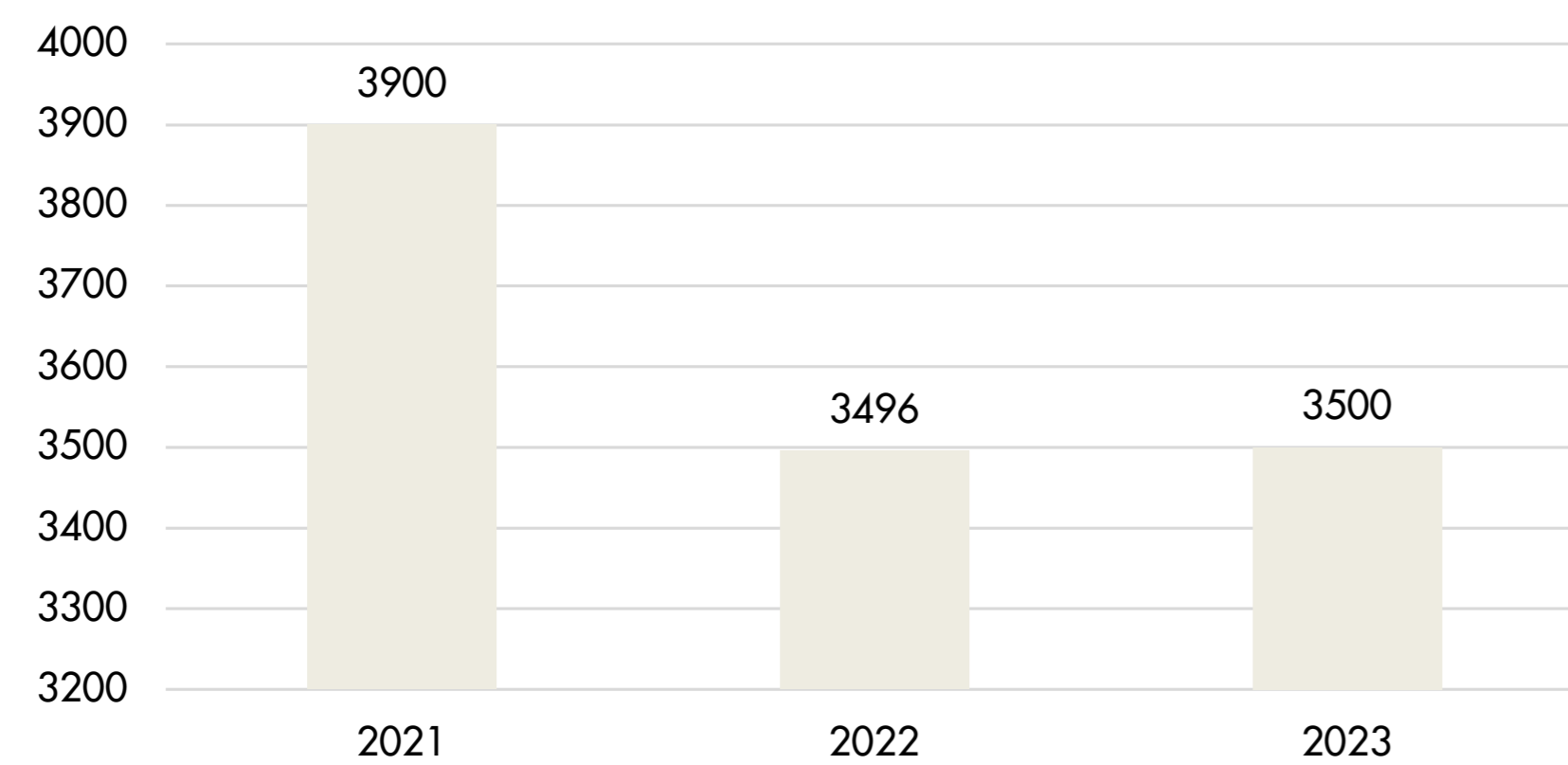
Percentage of renewable fuels of heat energy production



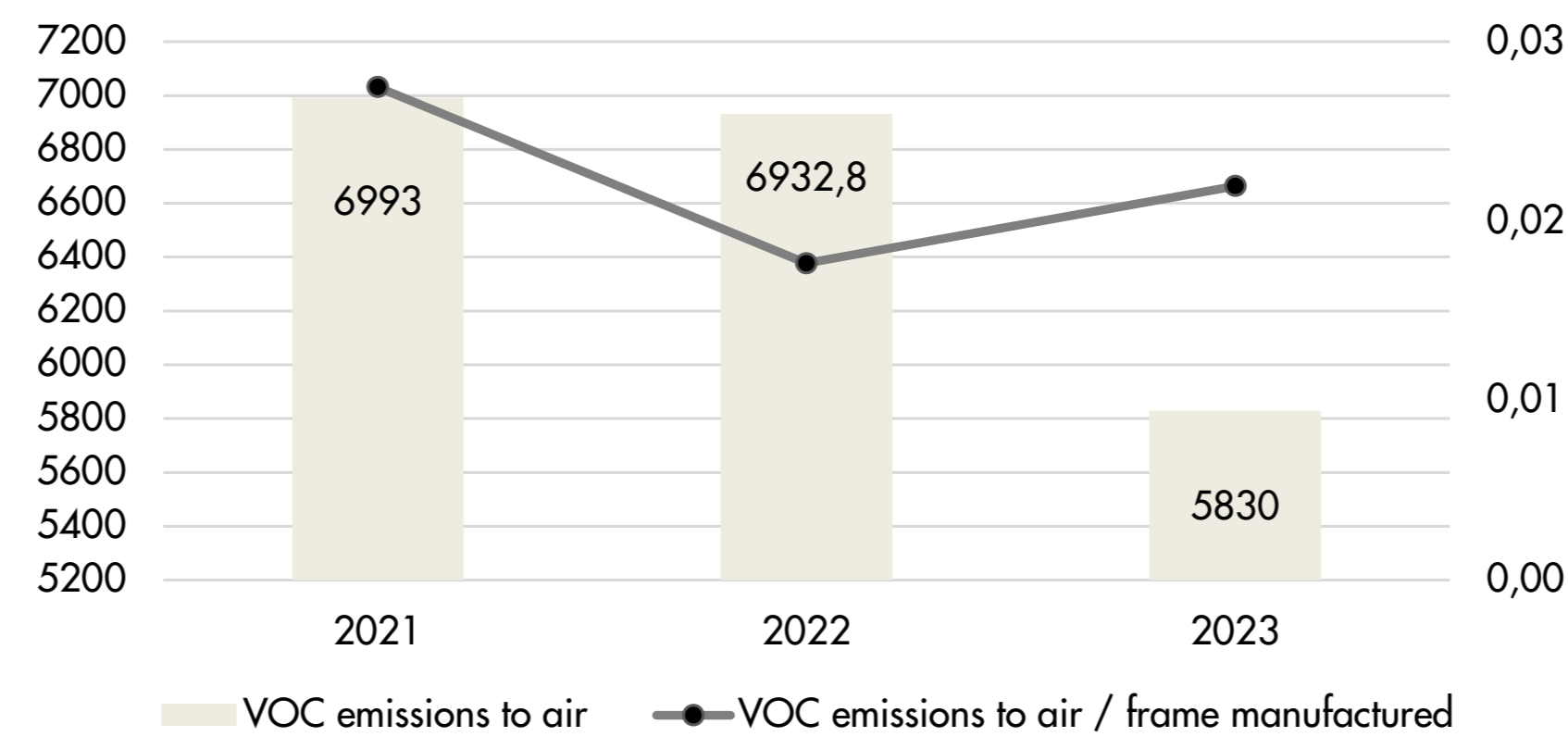
Energy consumption MWh/yr



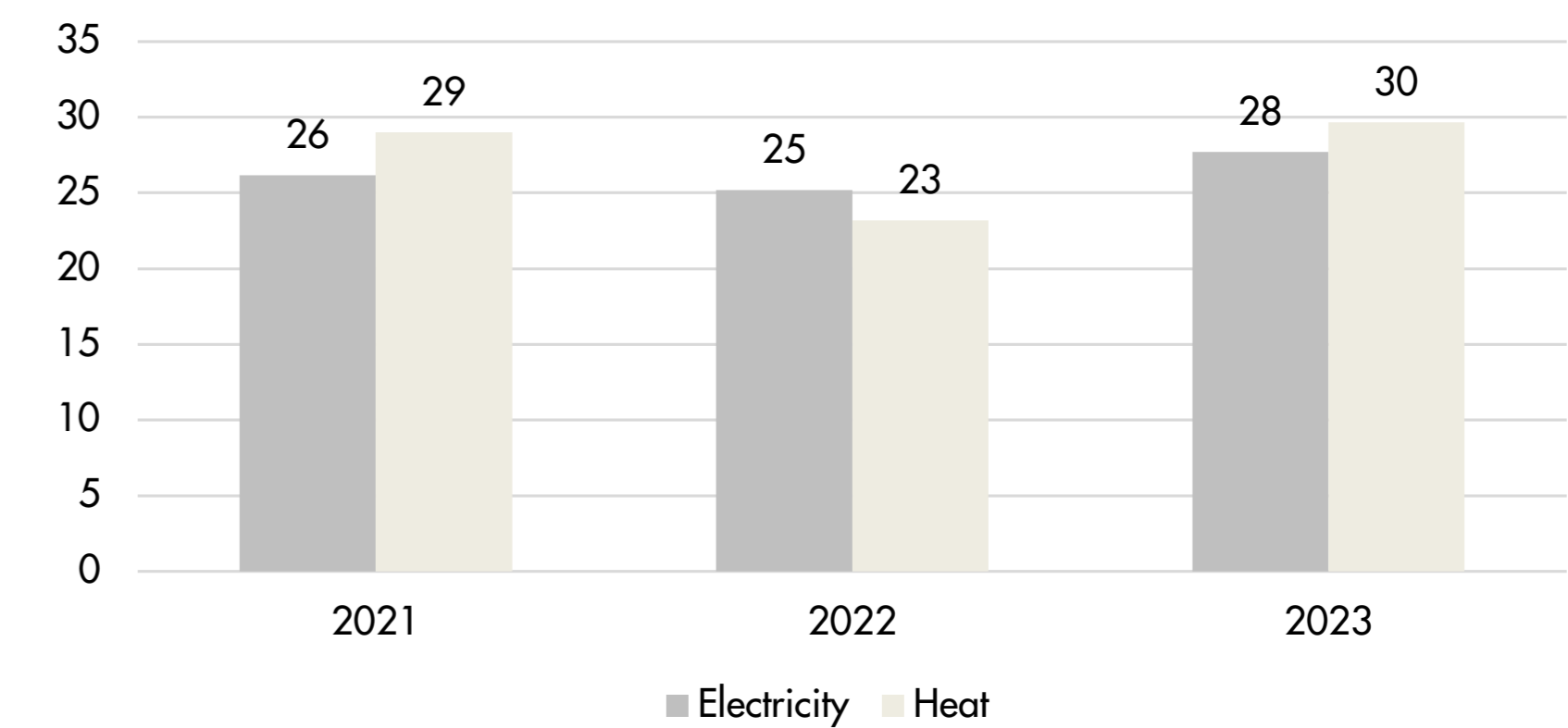
Heating emissions t/yr



VOC emissions, kg



Energy consumption kWh/frame





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We have calculated the size of our carbon footprint for our entire operations, starting with raw material production and ending with product recycling. In some of the emissions data of upstream raw material suppliers, we have relied on generic data. In fairness, we are not reporting Scope 3 emissions yet. Besides the carbon footprint from operations, we have drawn up an LCA of the environmental impacts of a kitchen and an environmental product declaration for the kitchen cabinet.



CHOICE OF MATERIALS IS CRITICAL

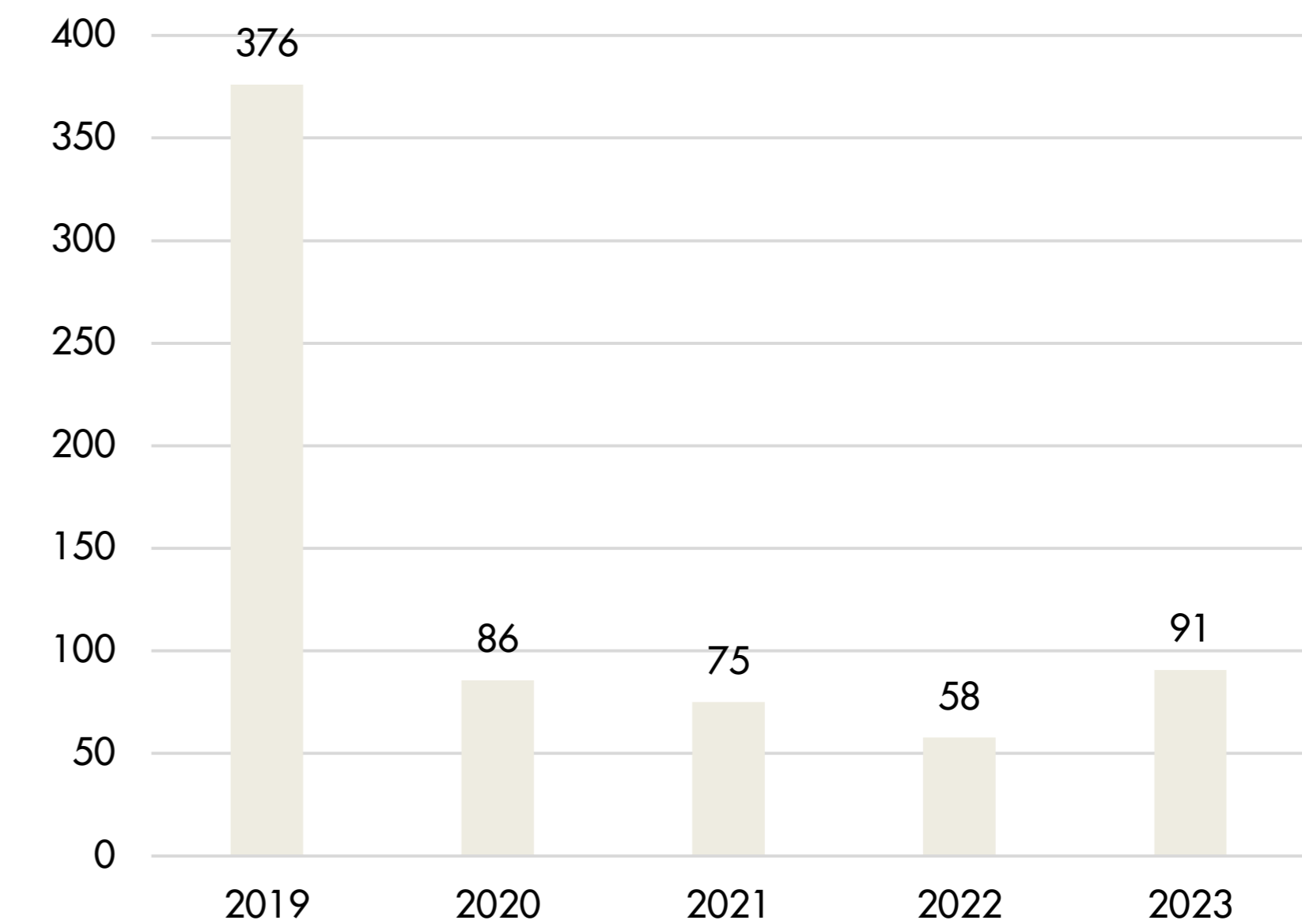
Our largest emissions occur from the materials and raw materials we use. This is why the focus of our Natural Steps programme is on choice of sustainable materials, reducing quantities of raw materials and making used materials part of the circular economy. During the past year, we tested several alternative raw materials for our products and reduced quantities of raw material in many of small products. In coming years, we expect an improvement in the environmental data on the materials available and this will

enable us to more accurately specify our future target levels for different materials. We collect EPD data and life cycle calculations on the materials we buy in order to chart and select the best possible materials for our products from the environmental aspect.

COLD WEATHER AFFECTED DIRECT EMISSIONS

Direct emissions from our plant comprise emissions from fossil-fuelled vehicles and the heating energy we use. Most of the heating energy we use we produce ourselves from sawdust and biomass, which in turn reduces emissions originating from

Direct emissions in our production tCO₂e Scope 1 & 2



energy use. There are no other emissions at our production facilities involving energy production since the electricity we use is from 100% renewable energy resources. We have reduced our factory's direct emissions by more than 286 t CO₂e by switching to zero-emission electricity and replacing our factory's fuel-powered vehicles with electric vehicles, when reviewing to year 2019.

During 2023, the plant's direct emissions increased due to cold weather and boiler equipment failures.



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EMISSIONS TO AIR

Besides fossil-fuelled vehicles, emissions to air at our plant originate in conjunction with heating the plant. Based on the emission measurements made, it has been estimated that the total annual CO₂ emissions from heating totalled 3500 tonnes. Dinitrogen oxide emissions were an estimated 15 tonnes. During the year, momentary dinitrogen oxide levels exceeded the permitted level. During the past year, we conducted a survey to build a new heating production system. In line with general emissions factors, our carbon footprint calculation takes into account only methane and dinitrogen emissions with regard to bio-based fuels. Since we mostly use water-borne coating agents, our VOC emissions are very low compared to those of manufacturers using solvent-borne coatings. Most VOC emissions originate from using solvents when washing production machinery. We have developed our operations so that the solvents used when washing production machinery are recycled as many times as possible as part of the cleaning process.

CARBON DIOXIDE EMISSIONS IN DELIVERIES

Our entire manufacturing process starts by planning transport to the customer and aims to optimise customer deliveries based on transport direction as effectively as

possible to save both costs and the environment. Transport from the production facilities to the customer takes place in cooperation with internal and local logistics companies. We monitor emissions from transport using a transport carbon footprint calculator designed for our production facilities so that we can measure the emissions from each transport taking into account the route and product weights. During the past year, we surveyed ways to reduce the carbon footprint of our deliveries by utilizing renewable fuels.



We aim to implement deliveries using 100% fossil-free fuels during 2025.

PACKAGING AND RECYCLING

We are also working to reduce packaging waste and waste material. We choose packaging materials that take the environment into account. We use only cardboard as the cabinet packaging material and we constantly strive to develop new ways to reduce packaging in plastic. The corner protectors for packaging are made of recycled plastic, and we are exploring the possibility of switching to cardboard packaging also for worktops. We have also signed up for membership of the RINKI, FTI, SERTY and El-Kretsen organisations, which aim to ensure the proper recycling of packaging materials and electrical appliances. We are also involved in a packaging material recycling programme where our producer responsibility extends to the packaging that reaches consumers. For example, some of the transport packaging in the boxes used when importing is recyclable and is in efficient use between the manufacturer and Puustelli.



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OUR CARBON HANDPRINT

Our carbon handprint describes the positive climate impacts from our operations. A positive carbon footprint is created when, for example, a product enables a lower carbon footprint for the customer. When it has grown, the wood material used in furniture has sequestered carbon dioxide from the atmosphere and stored the carbon it contains in

the wood. This means that the carbon bound up in our wood and bio-based raw materials remains in them often for many decades, during which time the carbon is not in our atmosphere. In 2023, around 10 490 t of CO₂e were bound up in our wood and bio-based products.



CALCULATION DEVELOPMENT

Our development work for defining a more accurate carbon handprint and setting measures for environmentally regenerative business will continue this year. We are exploring ways in which products could be reused or recycled even better.



SUPPLY CHAIN



SOURCING



ENVIRONMENT



CARBON FOOTPRINT



EMPLOYEES



FINANCIAL



EMPLOYEES

Our healthy workforce is the most important resource for our growing business. We emphasise the meaningfulness of work and we work continuously for the wellbeing of our employees. The quality of all our operations and products is built around our people. We want to create a work community where our people are both healthy and committed.

EQUAL WORK ENVIRONMENT

In 2023, women accounted for 39,5% of our workers, 60,5% of our senior salaried employees and 17% of our Management Team. Puustelli's equality plan aims to promote the equality of employment of employees of different gender and ages in the work community. Each of our employees has an important role in helping us to reach our ambitions. Employees participate in regular meetings of the equality and non-discrimination group and remuneration group, which are intended to ensure non-discrimination and transparency across



MEASURES IN 2023

- We made over 1000 safety observations
 - We rewarded 500 development measures

the organisation. A person's age, gender, religion or ethnic background may not be a discriminatory factor at any point of a person's employment relationship. All our salaried employees have signed our Code of Conduct, which is available in-house and on our website. We have a whistleblowing channel to enable the reporting of all breaches of ethical principles. Puustelli had no cases involving discrimination or equality during the reporting period.

AIMING FOR ENPS 50

We measure our employees' workplace wellbeing in an annual work atmosphere survey and aim to respond to the wishes expressed by our employees during the current year. Our eNPS in 2022 was 11, deteriorating from the

previous year. The overall average of the survey responses was 3.12, which on a scale of 1–4 means quite good. Our personnel decreased by fifteen employees and turnover was 13.5%. We aim to engage employees more closely in the development of their own work by continuing a broader management model focusing on quality, productivity and reducing material waste. Our goal for 2023 was to implement 500 continuous improvement measures. The goal was achieved and all improvements achieved were rewarded in accordance with our continuous improvement program.

The challenges of the prevailing market situation are reflected in our personnel strength through adjustment measures. We went through the change negotiations towards the end of 2023. The measures to end the change negotiations were implemented through partial or temporary lay-offs.



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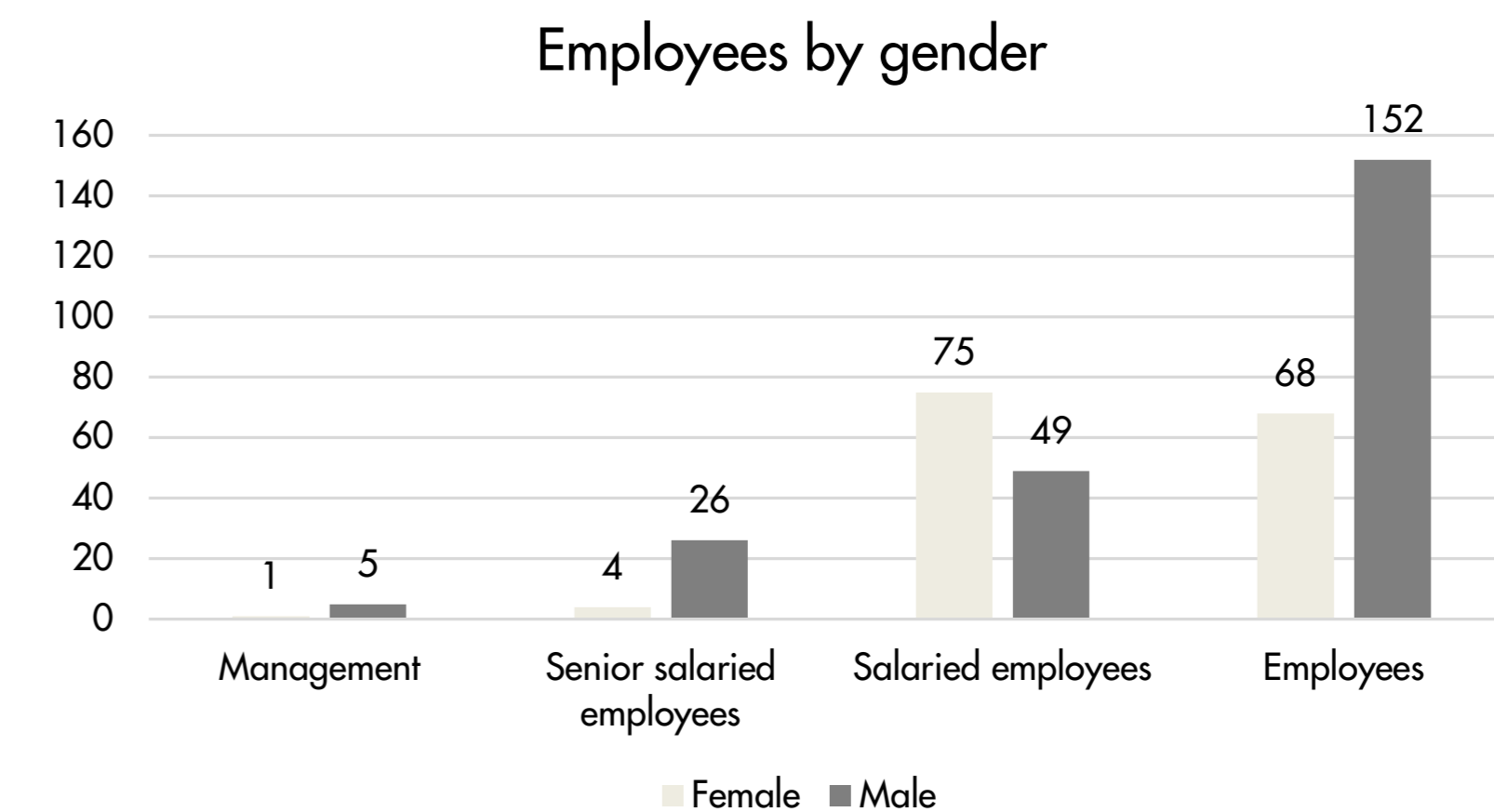
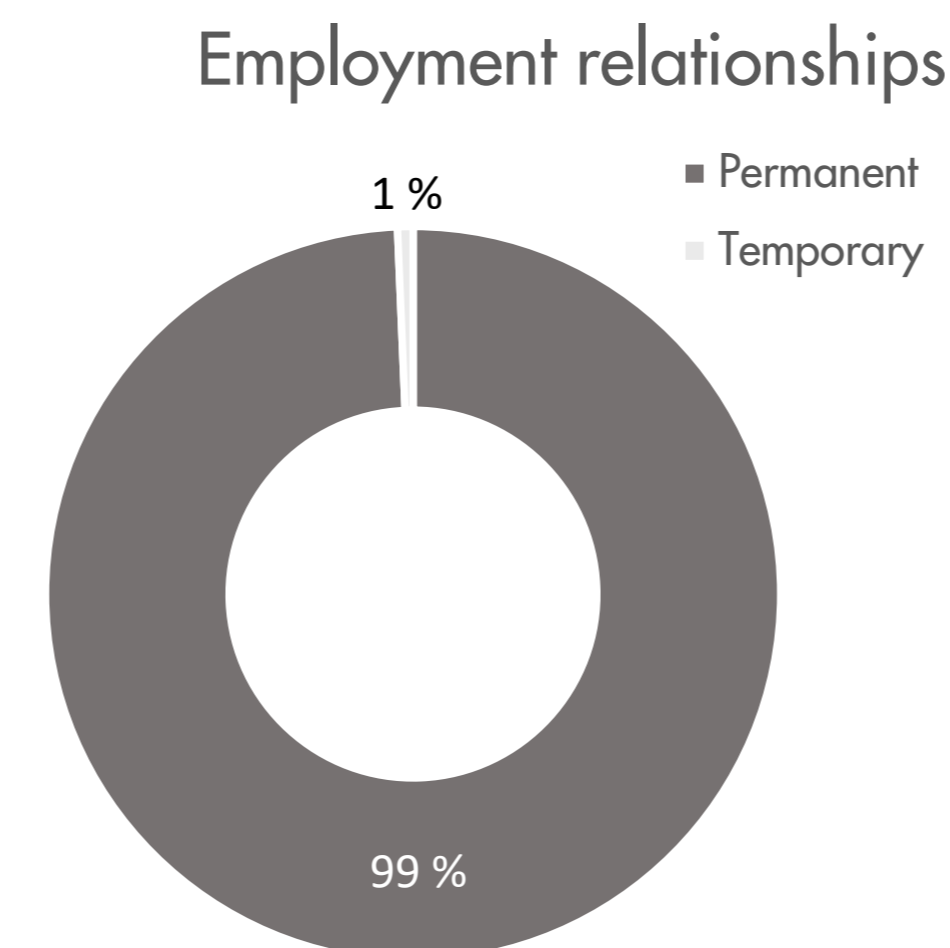
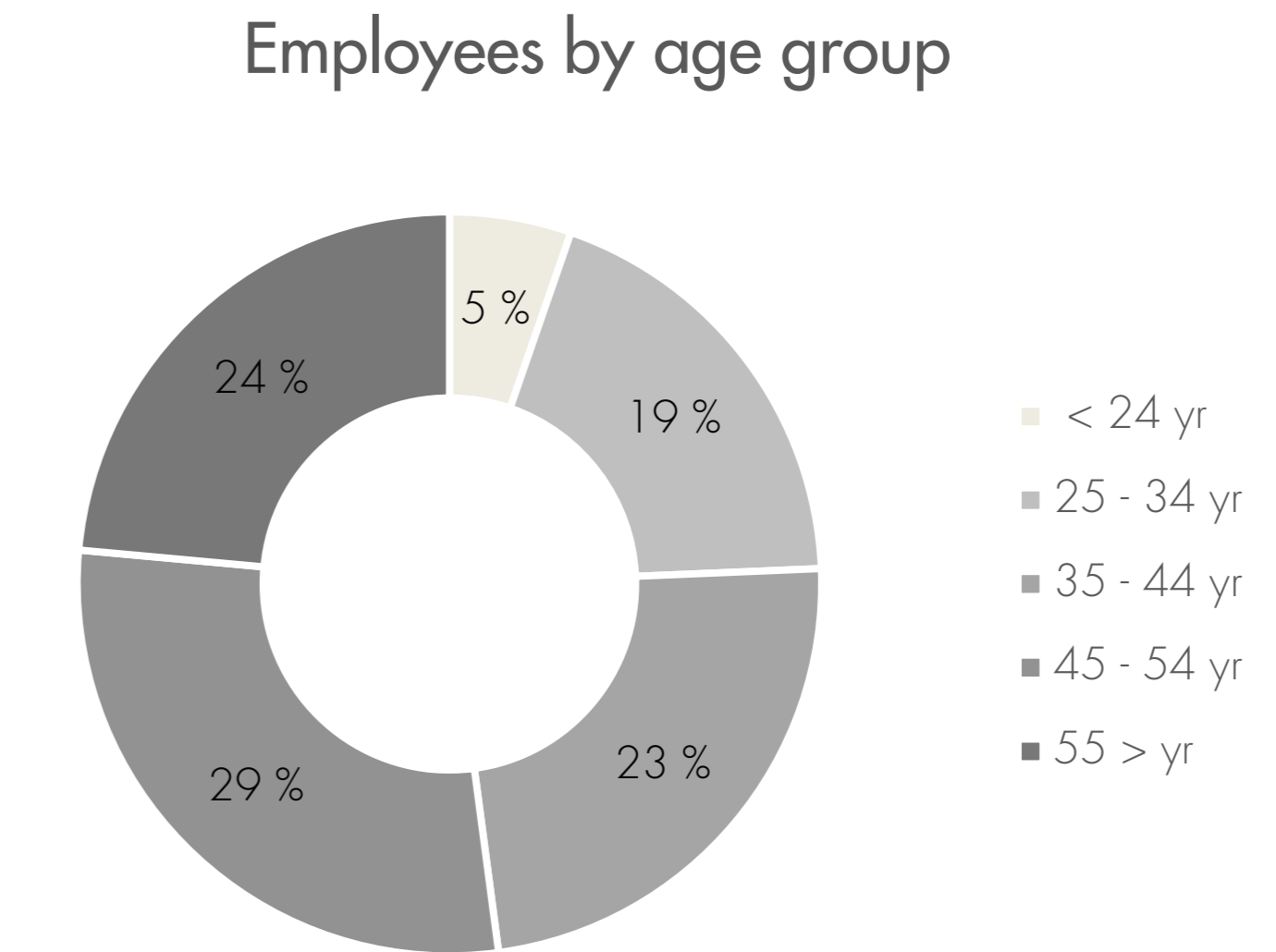
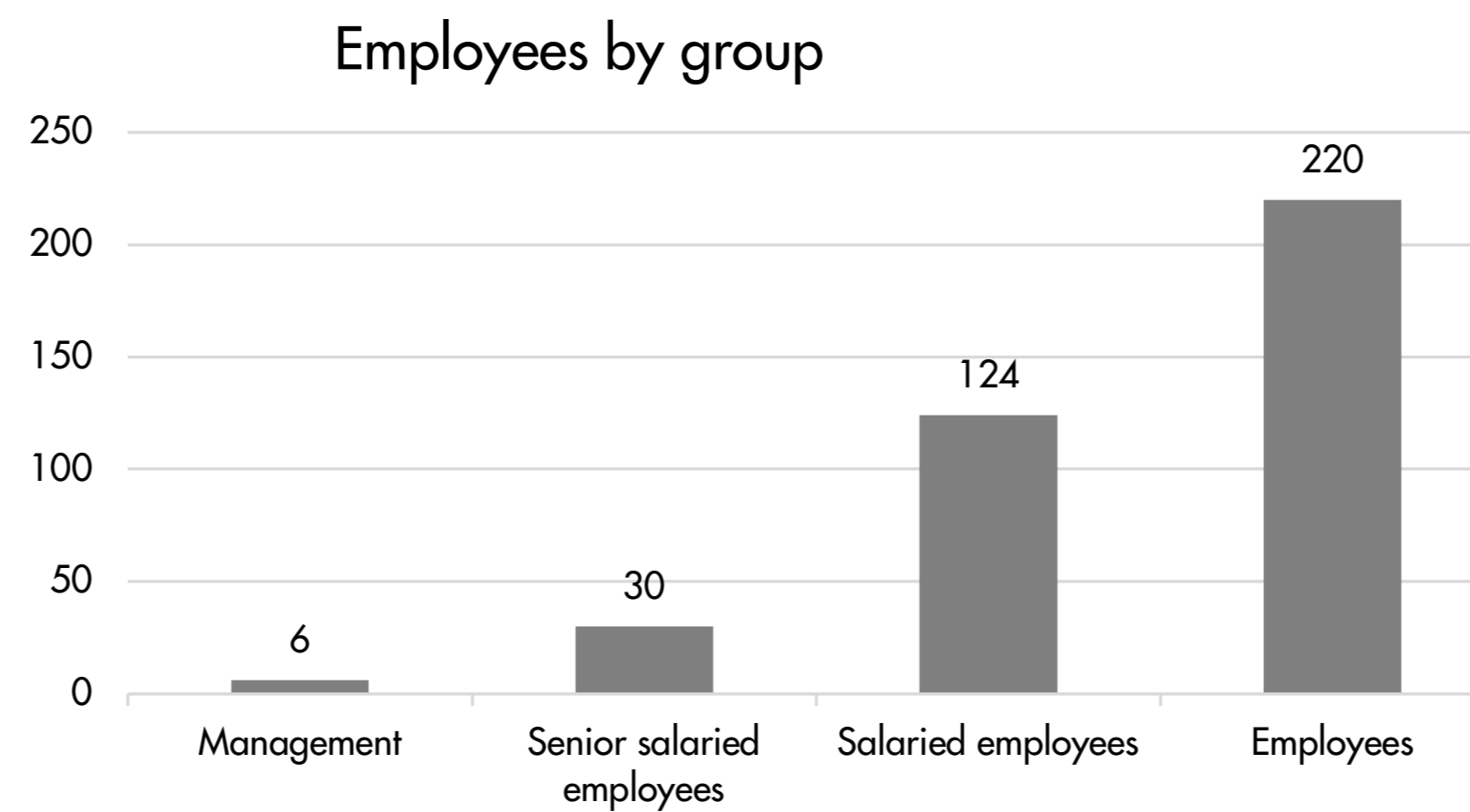
FINANCIAL



EMPLOYEES

GROWING NEED FOR SKILLED LABOUR

All new employees and existing employees transferring to new jobs were given orientation. Our people received a total of 3,075 hours in training for work related to the woodworking and other industries. Our salespeople also receive regular training in products and sales work each year.



Employees	2021	2022	2023
Labour turnover %	13,9	12,7	0,0
Average number of employees	361	379	390
Harjavalta (31.12.2023)		306	295
Rest of Finland (31.12.2023)		87	83



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FOCUS ON PROACTIVE SAFETY WORK

We focus on pro-active measures and have done target-oriented work to reduce our lost time injury frequency.

Despite our measures, the number of injuries rose above our targets, settling at 22,7 per million hours worked. We will continue during the current year to improve our safety culture by in particular focusing on onboarding and assessment of workplace-specific risks. Our goal is for 1,000 safety observations and a lost time injury frequency of below 18 per million hours worked.

RECORD NUMBER OF SAFETY OBSERVATIONS

We managed to collect our target of 1137 safety

observations and successfully cascaded the safety culture down to become part of our employees' everyday work.

We collect observations in our system from employees and through monthly 5S assessments, which focus on safety and tidiness. All safety observations are processed and every injury is reported all the way up the organisation to senior management. There was a total of 18 injuries the past year. Each incident was investigated and corrective measures implemented in accordance with the investigation process in our safety standard.

	2021	2022	2023
Commuting accidents	2	2	0
Accidents at work excl. commuting accidents) absence < 1 day	8	6	8
Accidents at work excl. commuting accidents) absence => 1 day	11	14	10
Lost time injury frequency per million hours worked	24	29	22,7
Sick leave days, total (excl. lost time injury absences)	5009	5911	4386
Sick leave days per employee (excl. lost time injury absences)	14	16	12
Sickness absence % of hours worked (excl. lost time injury absences)	6,9	7,7	4,53



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OCCUPATIONAL HEALTH AND SAFETY

SYSTEMS TO SUPPORT SAFE WAYS OF WORKING

Our operations are guided by occupational health and safety management standard ISO 45001, under which we maintain, develop and evaluate the safety of the work environment. The standard operating procedures extend from the factory to the stores. The occupational safety and health committee, along with our in-house occupational health care, collaborates to improve the safety and ergonomics of workstations. We conduct cross-audits annually across various departments and collect safety observations, which we monitor on a monthly basis. Additionally, we utilize the 5S system to maintain and supervise the safety, cleanliness, and ergonomics of workstations.

EARLY INTERVENTION MODEL

We have an early support model that maintains employees' ability to work. Through this model we strive together with the employee and occupational healthcare doctor, to find ways to improve the person's ability to work regardless of whether the reasons are work related or because of civilian life. Through early support measures, we strive to support the employee's ability to work and to prevent incapacity for work by intervening in sickness absences exceeding 10% of working hours twice a year. The model includes active forms

of support, for example, methods for early support discussions between the supervisor and his or her employee and, where appropriate, opportunities for support from occupational safety and healthcare.

WE SUPPORT RECREATIONAL ACTIVITY

We also support the activity of our employees outside the workplace by providing cultural and exercise benefits on an annual basis and by providing weekly recreational opportunities, including ice sports and floorball. The

recreation committee consisting of our employees organises various out-of-office and sports events for the whole personnel. Our employees also have an opportunity to take advantage of other benefits we provide including our holiday homes in Northern Finland.





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ECONOMIC RESPONSIBILITY

Puustelli has been the best-selling kitchen brand in Finland since 1983. Going forward, we aim to be the industrial leader in Finland. Through profitable growth, we ensure that we are able to operate in the best possible way taking into account the environment and stakeholders. Profitable and competitive operations allow us to develop every area of our business. Puustelli is known for the high quality of its products and services. Upholding these expectations requires a company that operates in accordance with its values and on a financially sound basis.

REVIEW OF 2023

Our turnover in 2023 was around €99 million, down by 16,64% year on year. Operating profit was around half a million. During the year under review, we invested in new production lines and expanded our plant buildings.

Economic value generated for stakeholders, which consisted of purchases of materials and services, salaries paid and financial expenses, decreased by around 19% to €78.4 million.

Puustelli is included in the collective agreement of the Finnish Federation of the Woodworking Industry. Membership of the Finnish Federation of the Woodworking Industry also

Economic responsibility in figures M€	2021	2022	2023
Turnover	103,4	119	99,2
Purchases (goods and services)	65,6	78,3	60,9
Wages and salaries paid	15,1	16,2	15,7
Financial expenses	0,2	0,2	0,3
Dividends paid to owners	1,0	1,5	1,5
Paid taxes	3,5	3,7	1,9
Economic added value to stakeholders	82,2	96,6	78,4
Investments	6,6	3,2	3,6

means membership of the Confederation of Finnish Industries (EK). The Finnish Federation of the Woodworking Industry negotiates the frontline workers' collective agreement with the Industrial Union and the salaried employees' collective agreement with Trade Union Pro.





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OPERATING RISKS AND OPPORTUNITIES

We have identified the risks in our business and manage them through good monitoring, planning and insurance. We manage risks affecting our security of supply with the help of several back-up suppliers and by sourcing our main materials straight from the parties making them. Decades of close cooperation and mutual trust contribute to maintaining security of supply also in challenging circumstances. During the current year, we will carry out a broader risk assessment of climate-related risks and opportunities in accordance with Task Force on Climate-Related Financial Disclosure (TCFD) and Task Force on Nature-related Financial Disclosure (TNFD) recommendations.

We minimise and prevent risks to the technical quality of products by operating in accordance with quality management certificate ISO 9001, which in turn impacts productivity, quality and customer satisfaction. Urbanisation means that demand is increasingly focused on growth centres. General housing market development can be considered a significant financial risk that has direct implications for the scope and profitability of Puustelli's operations. We have expanded our HR operations to manage labour risks and focused on the visibility of recruitment channels locally, not forgetting workplace atmosphere improvement. As shown by the Covid-19

pandemic, physical risks to human health and the work environment increase business risks and among other things affect the prices and availability of raw materials. During 2023, profitability was impacted by inflation, rising interest rates and low amount of new construction sites.

In addition, any deterioration in the solvency of customers and partners increases business risks.

SUSTAINABLE DATA MANAGEMENT

Globally, ICT uses about 4–10% of the world's energy and produces about 2–4% of greenhouse gas emissions. The digital environmental load has not been discussed on a general level, even though the emissions are significant. For our part, we want to open up the discussion and tell what actions we have taken to reduce the amount of digital waste.

We have tried to reduce digital waste in terms of computers by joining 3StepIT's procurement model. The amount of digital waste at Puustelli is relatively low, because the devices have been used for a very long time and many devices have been repaired independently. The lifespan of an average computer is about 5.5–6 years, and that of mobile phones and tablets about 3 years. We purchase additional warranties covering the maintenance and repair of equipment for many devices at the moment of purchase. We also try to avoid all electronics



that are very difficult to repair. Our IT department strongly supports the EU Commission's Right To Repair initiative.

We have considered the reduction of the carbon footprint in data center services to be high, and the data center we have chosen utilizes 100% fossil-free energy.

Our customers have access to the personal MyPuustelli application, where the customer receives information and documents about the arrival of the kitchen, installation and operating instructions, and guarantees. Our goal is to gradually move towards paperlessness.

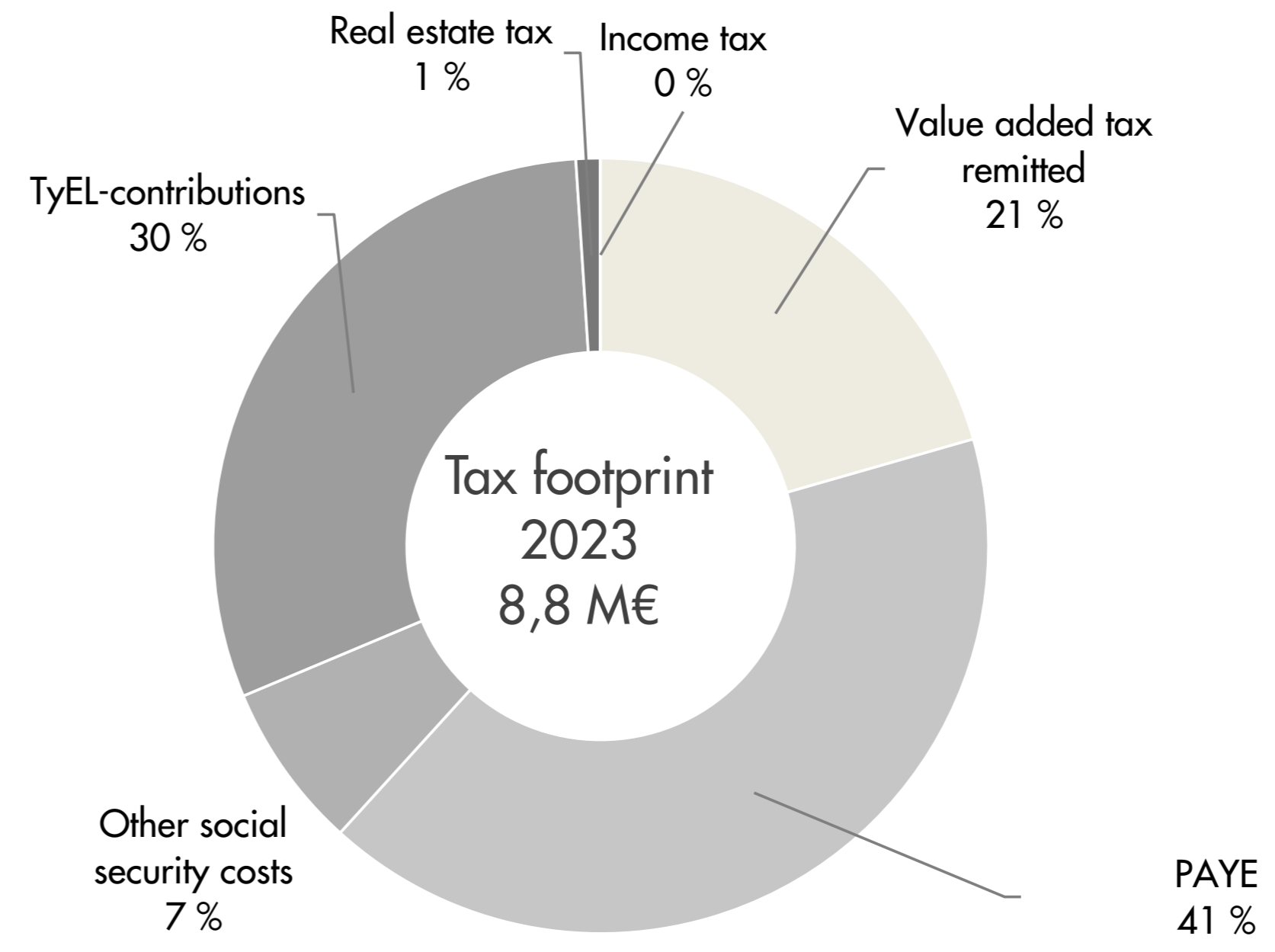
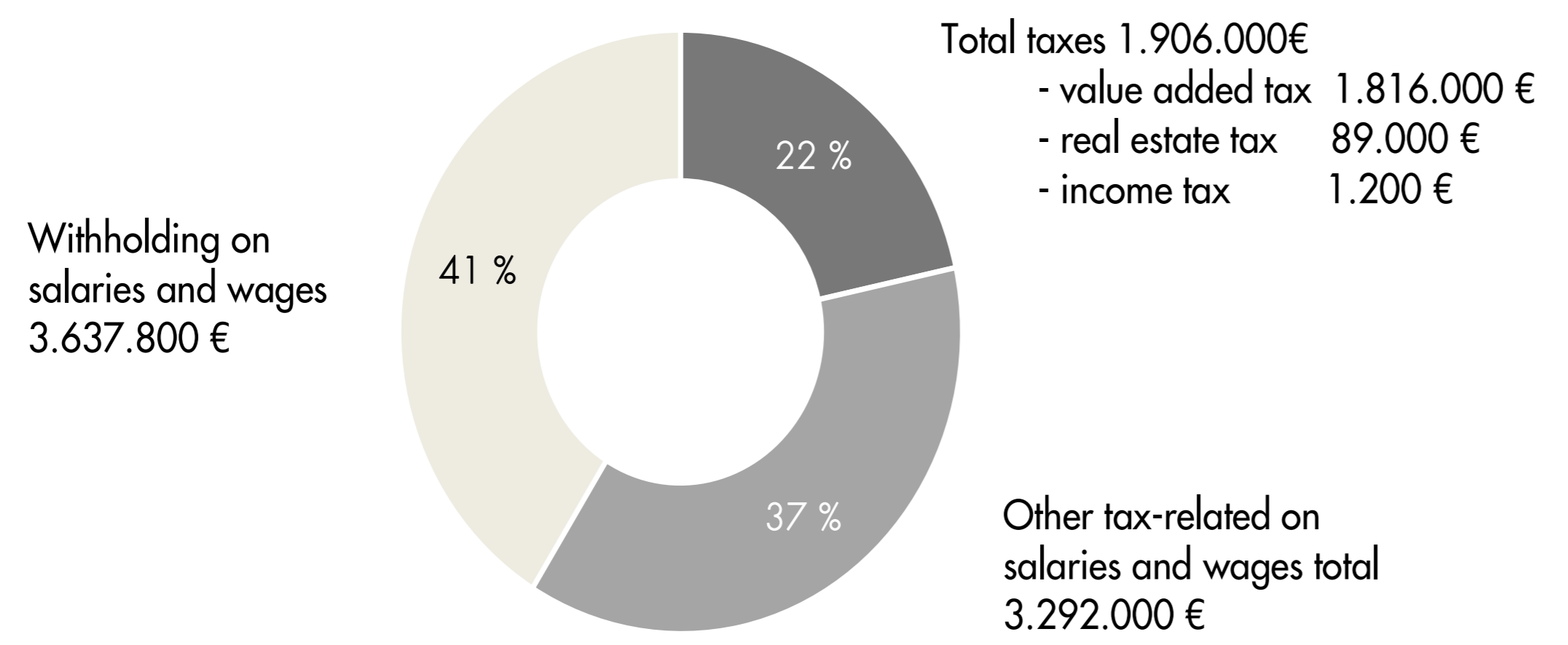


TAX FOOTPRINT

Taxes paid to society are an important and significant part of Puustelli's economic responsibility and are well reflected in our tax footprint. Tax footprint means the taxes and tax-like payments accruing to society from company operations. Our

tax footprint shows direct and indirect taxes as well as tax-like payments relating to the employees. Out tax footprint in Finland in 2023 totalled €8.8 million, in addition to which we paid €0.96 million in taxes to Sweden.

Tax footprint i Finland 2023





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RESPONSIBILITY MANAGEMENT

Our operations are based on responsible business as part of our daily work and decision-making. We identify the most significant stakeholders and their expectations of our products. We have initiated a broader materiality assessment focusing on responsibility in our value chain with suppliers, vendors, consumers and our logistics companies among others. We continue to study the key responsibility expectations for stakeholders in order to respond as best as possible to our stakeholders' needs.

The operations of the entire organisation are guided by the strategy adopted by the Board of Directors. The strategy underscores the increasing importance of responsibility as one of the strategic goals. We guide annual operations on the basis of the action plan. Business objectives are determined annually for production and services processes from the aspects of economic, ecological and social activities. The company's management oversees achievement of the goals of the entire network's operations and ensures sufficient trained resources in the areas of responsibility. The Management Team is responsible for implementation of the responsibility strategy and the goals in accordance with the strategy.

Our Research and Development department is responsible for planning and implementation of the

responsibility programme and report together with our in-house responsibility working group. Achievement is followed monthly with the responsibility working group and management. The Management Team accepts the responsibility indicators and policies under which operations are guided. We meet the regulatory requirements, the standards of our industry and the requirements of our own integrated management system. Our operations are based on our Code of Conduct.

Management is responsible for ensuring employees know our internal guidance and that our products are in compliance with all the relevant regulations and standards. Our operations are guided by a management system that complies with the requirements of ISO 9001:2015, 14001:2015 and ISO 45001:2018 quality, environment occupational health and safety management standards in both Finland and Sweden.

During the past year, auditing found no major deviations.

Our Natural Steps programme will help our production to be carbon-neutral by 2035.

We want to make information on the most ecological choices of material available to the customer.

We aim to move the industry towards more responsible and environment-friendly working practices in close cooperation with our stakeholders.



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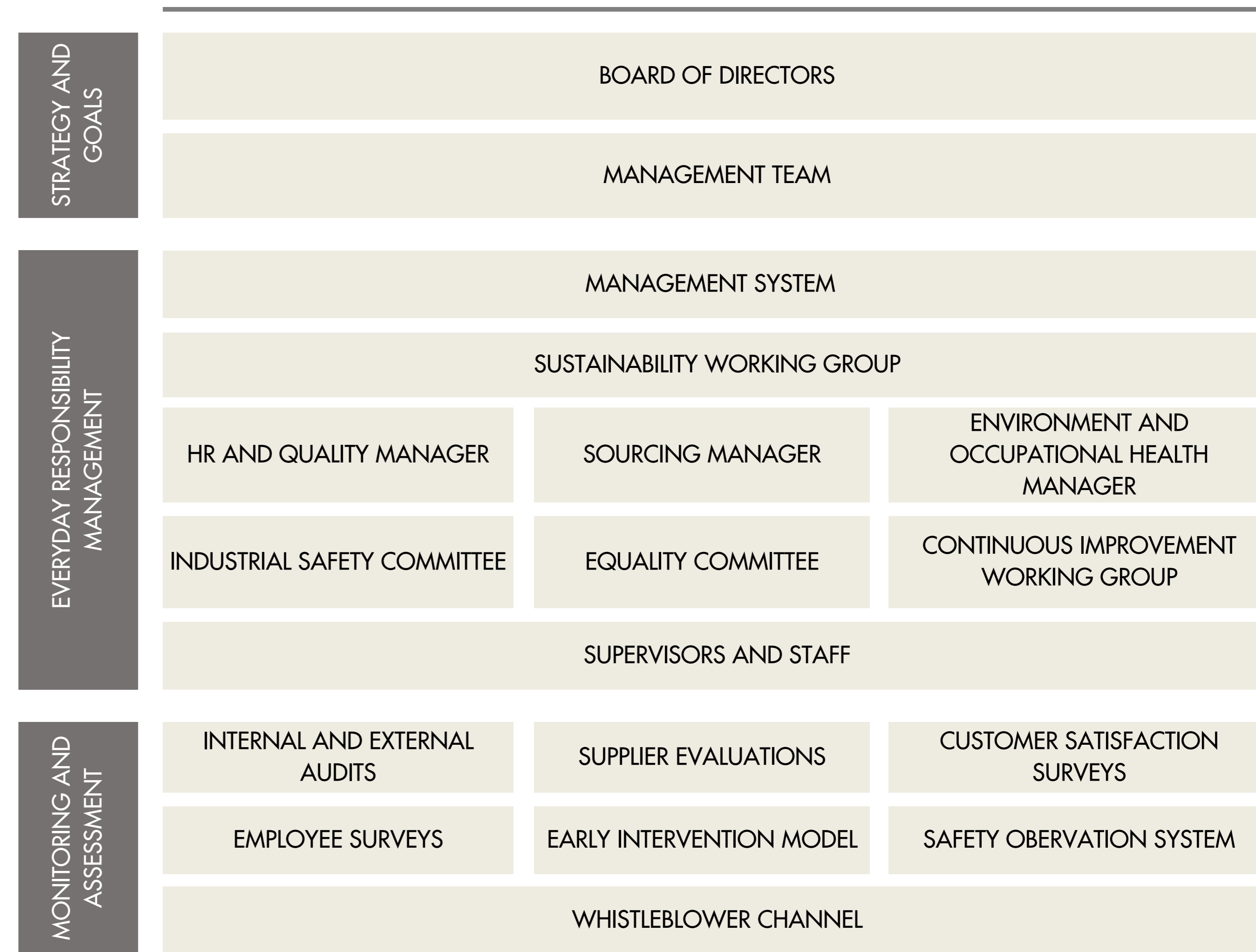
HOW WE WORK

We meet the regulatory requirements, the standards of our industry and the requirements of our own integrated management system. Management is responsible for ensuring employees know our internal guidance and that our products are in compliance with all the relevant regulations and standards. Our operations are guided by a management system that complies with the requirements of ISO 9001:2015, 14001:2015 and ISO 45001:2018 quality, environment occupational health and safety management standards.

REWARDS

We employ incentives to promote achievement of the strategy and reward employees for personal performance. Incentives form an element in employees' monthly pay and is determined on the basis of the results of strategic indicators. The annual bonus of salaried employees and management, however, is linked to the achievement of strategic goals, the achievement of which is monitored monthly. During the current year, we will educate our employees on how our reward system works and increase awareness of personal possibilities to influence.

RESPONSIBILITY MANAGEMENT AT PUUSTELLI



	MANAGEMENT AND PROCEDURES	MANAGEMENTS SYSTEMS AND STANDARDS
ECONOMIC RESPONSIBILITY	Profitable growth enables the continuous development of our business	Quality Management Standard ISO 9001, Internal audits
SOCIAL RESPONSIBILITY	We comply with and uphold ways of working determined for the principles of human rights and labour (Code of Conduct)	Puustelli's ethical guidelines, Occupational Health and Safety Management Standard ISO 45001, Key Flag
ENVIRONMENT AND PRODUCT RESPONSIBILITY	Environmentally responsible way of working covering the entire lifecycle of the product	Environmental Management Standard ISO 14001, Quality Management Standard ISO 9001, M1 rating, FI mark, Supplier evaluations



VALUES

Responsible management at Puustelli is based on our values, which determine the way we work and provide services. Our business is guided by Puustelli's ethical principles, which must be complied with across the organisation. We also act in compliance with the ten principles of the UN Global Compact initiative relating to human rights, labour, the environment and anti-corruption.

CUSTOMERS COME FIRST

We want to surprise customers positively throughout our service chain from the very first contact to installation. We consistently seek information about changing customer needs and wishes, and these serve as a basis for our development work. We understand the customer's need holistically and keep our customers up to date through active communication. We value internal customer relationships and actively monitor

the level of quality assurance capability of the entire service chain and reward successful performance.

BASED ON TRUST

We are consistent and honest in everything we do. We treat everyone fairly and always keep our word. We value all our colleagues and their opinions. In our operations, we are responsible for our employees, customers, the environment and financial continuity. We look after the wellbeing of our employees and support this through good supervisory work. We maintain an open atmosphere at work and also discuss difficult matters.

each other. We value diligence and results and constantly encourage them. We maintain a positive attitude and are proud of every success.

INNOVATING FOR THE FUTURE

We are active seekers of new impulses and opportunities. We dare to try out new things and to take the initiative. As individuals and teams, we constantly develop what we do and strive for effective, clear solutions that deliver a lasting competitive edge. We set our goals beyond a year but respond quickly to changes. We roll out new products, services and ways of working faster than others and ensure their commercial utilisation.

TEAMWORK DELIVERS RESULTS

Performance is generated when different units understand and see the big picture and work in the same direction. We are committed to common rules of play and work consistently for them. We constantly monitor business performance and quickly put in place corrective measures. Together, we set goals that we achieve as individuals and teams, supporting





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KEY STAKEHOLDERS

We have identified our key stakeholders with whom we are in active dialogue. We take into account the needs and expectations of our stakeholders in our everyday operations and engage closely with them to develop responsibility. We monitor the needs of our stakeholders through continuous open dialogue and through various surveys and indicators.

CUSTOMERS

Our customers are private new home builders and renovators as well as construction firms that come to us through our project sales business. Our products must be aligned to our brand, responsibly produced, flawless and in the right place at the right time. Our construction firm customers expect us to have certified quality management systems, which enable us to assure quality and responsible business. We actively monitor customer satisfaction through customer satisfaction surveys and NPS.

EMPLOYEES

Our employees expect our operations to show overall responsibility, and to provide meaningful, reliable, long-term work, where there are opportunities for development. A safe and motivating work environment forms the basis of our operations. We engage in active dialogue using communication and regular development discussions. We monitor the wellbeing of our employees through annual job satisfaction measurements and we actively develop operations and supervisory skills on the basis of the results we obtain.

STORES

We also employ salespeople in more than 50 Puustelli stores and in the project sales organisation serving construction firms. Our salespeople expect high-quality products and reliability from us in deliveries and other operations. We engage in active discussion with the sales field about common operating models, sales needs and forecasts. We regularly train our sales personnel in systems, products, and responsible sales practices. We regularly measure and communicate sales performance.

SUPPLIERS

Our suppliers expect lasting cooperation, reliable forecasts, high volume and good solvency from us. By developing materials, we work together to improve the responsibility of our products and we work closely with our suppliers starting from product development processes. We monitor compliance with the principles of responsible sourcing through regular supplier evaluations and we require all suppliers to sign our Code of Conduct.

AUTHORITIES AND OTHER PROFESSIONAL BODIES

The authorities expect compliance with our statutory obligations, openness and cooperation. We act in accordance with responsible and ethical procurement principles and report openly and actively on matters related to corporate responsibility. We are also involved in the following organisations who are tasked with developing the entire industry and Finnish work: Finnish Federation of the Woodworking Industry, Finnish Forest Industries, Confederation of Finnish Industries and the Association for Finnish Work.

OWNERS, FINANCIERS AND OTHER STAKEHOLDERS

Owners expect profitable, continuing and responsible business as well as satisfied customers and employees. Reliable, accurate, transparent and timely information is paramount. We carry out regular risk assessments. The company's competitiveness and performance is actively monitored and regularly communicated to employees and owners alike.



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CERTIFICATES AND RECOGNITIONS



M1 BEST INDOOR AIR QUALITY RATING

M1 recognition has already been granted to more than 90% of Puustelli products. The products are tested in an independent laboratory and their indoor air cleanliness is divided into three different categories of which M1 is the best.



QUALITY MANAGEMENT SYSTEM

All our services are covered by international ISO certification. We have been using an ISO 9001 quality management system since 2004.



ELECTRONIC AND ELECTRICAL EQUIPMENT RECYCLING AND WASTE MANAGEMENT

We are a member of Serty, which manages the collection and recycling of waste electrical and electronic material in Finland, and El-Kretsen Ab, a similar organisation in Sweden. Our memberships commit us to contributing to the cost of the electronics we send for recycling in Finland and Sweden.



PRODUCT COMPLIES WITH STANDARDS

The FI Mark indicates that a Puustelli product has been verified as being made in compliance with standards and is safe, durable and of high quality. Products covered by the FI Mark are constantly overseen and inspected. The safety of Puustelli products has been tested officially since back in 1989.



ENVIRONMENTAL MANAGEMENT SYSTEM

We take the environment into account in all our operations. ISO 14001 certification tells about the continuous improvement of our operations for the good of the environment.



THE KEY FLAG IS A SYMBOL OF FINNISH WORK

Each Puustelli kitchen is made in Harjavalta, Finland. The Key Flag symbol awarded by the Association for Finnish Work tells that a product has a Finnish content of at least 50%. The Key Flag was first awarded to Puustelli furniture more than 20 years ago.



OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

We aim to create the best possible working conditions for our employees. Our ISO 45001 certificate tells about how we address our employees' wellbeing and continuous skills development.



RECYCLING OF PACKAGING MATERIALS

We are members of the Finnish packaging recycling organisation Rinki Oy and Förpacknings- och Tidningsinsamlingen (FTI), a similar organisation in Sweden. Our membership communicates that we manage our packaging producer responsibility and that the arrangements mean only a small share of overall packaging is not reused.



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REPORTING PRINCIPLES

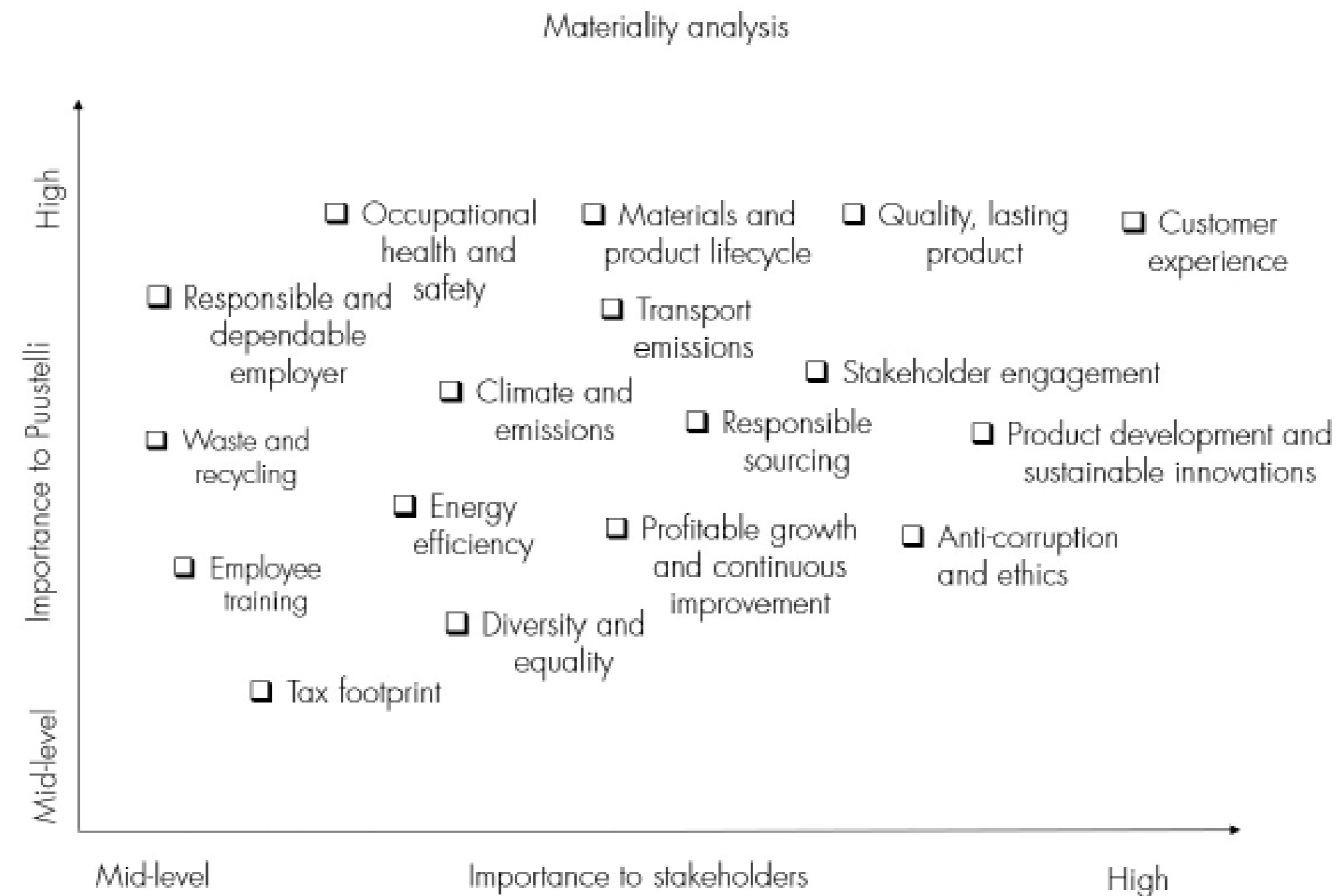
We ensure the transparency of our operations by regularly reporting our corporate responsibility. The principles of our Corporate Responsibility Report are derived from the international Global Reporting Initiative (GRI) standard. During the current year, we will explore the possibilities of the European

Sustainability Reporting Standards (ESRS) as future reporting principles. The financial information disclosed in the report is based on the operations of the whole Puustelli Group Oy. The social and environmental data mostly covers Puustelli Group Oy's

production facilities in Harjavalta. The GRI table shows the report content compared to GRI standards. The report content is based on a materiality analysis where the management system management team has identified Puustelli's most important responsibility aspects.

Puustelli's most important aspects of sustainability are

- Environmentally friendly materials and quality products
- Product development and sustainable innovations
- Excellent customer experience
- Cooperation with stakeholders for environmentally friendlier solutions





KEY FIGURES IN THE REPORT

This report describes the economic, social and environmental impacts for the accounting period 1 January to 31 December 2023. The key economic responsibility figures are based on Puustelli's accounts and the adopted financial statements for 2023. The occupational safety and headcount figures have been obtained from Puustelli's own monitoring systems. The key figures for environmental responsibility have been collected from Puustelli's own

monitoring system and from the energy management systems of external service providers. In the VOC emissions into the air table, we report the solvents (kg) bought and from which we subtract the amount of solvent waste sent for treatment. NO_x emissions were 11.3 tonnes/yr based on a measurement made on 1 April 2019, and 34 tonnes/yr based on the measurement made 17 February 2021. Annual emissions of 15 tonnes/yr is an estimate (+/-30%), based on measurements made and the amount of fuels

used. The carbon footprint figures for operations are based on the calculation template drawn up by Ecobio Oy in accordance with the GHG protocol and which Puustelli updates annually. Customer satisfaction data is based on customer satisfaction surveys conducted by Puustelli. The report is published annually in April. EY provided external assurance for this report on 30 April 2024.



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INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

TO THE MANAGEMENT OF PUUSTELLI GROUP OY

SCOPE

We have been engaged by Puustelli Group Oy (here after "Puustelli") to perform a limited assurance engagement, as defined by ISAE 3000 standard, here after referred to as the engagement, to report on information ("subject matter") presented in Puustelli's Corporate Responsibility Report 2023 (the "Report") for the period from 1.1.2023 to 31.12.2023.

CRITERIA APPLIED BY PUUSTELLI

In preparing the Report Puustelli referred to the Global Reporting Initiative Sustainability Reporting Standards and Puustelli's own internal reporting criteria ("Criteria"). As a result, the subject matter information may not be suitable for another purpose.

PUUSTELLI'S RESPONSIBILITIES

Puustelli's management is responsible for selecting the Criteria, and for presenting the information in the Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is

free from material misstatement, whether due to fraud or error.

CERTIFICATE AUTHORITY RESPONSIBILITY

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

The engagement has been executed in accordance with the International Standard on Assurance Engagements (ISAE 3000) "Assurance engagements other than audit or general audit of past financial information (revised)" and its terms have been agreed with Puustelli on 16.9.2021. The ISAE 3000 standard requires planning, execution and reporting of the assurance engagement in such a way as to present a conclusion as to whether we are aware of material changes that: must be made in the Corporate Responsibility Information in order for it to comply with the Reporting Principles. The nature, timing and scope of the selected verification measures are based on professional judgement, including an assessment of material misstatement due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate for our limited assurance conclusion.

CERTIFICATE AUTHORITY INDEPENDENCE AND

QUALITY CONTROL

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and have the required competencies and experience to conduct this assurance engagement.

Ernst & Young also applies International Standard on Quality Management ISQM 1, "Quality management in audit entities that carry out audits or audits of a general nature or other assurance or ancillary service mandates", (International Standard on Quality Management 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been



INDEPENDENT ASSURANCE REPORT

obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Report and related information, and applying analytical and other appropriate procedures.

OUR PROCEDURES INCLUDED:

- a) Creating an understanding of Puustelli's material reporting topics,
- b) Interviews with senior management to understand Puustelli's corporate responsibility management,
- c) Interviews with personnel responsible for gathering and consolidation of the corporate responsibility information to understand the systems and processes related to gathering and consolidating the information,
- d) Assessing corporate responsibility data from internal and external sources and checking the data to reporting information on a sample basis,
- e) Performing recalculation of information and checking the

underlying data on sample basis which is the basis of narrative disclosures related to the data,

We also performed such other procedures as we considered necessary in the circumstances.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information presented in Corporate Responsibility Report for the period from 1.1.2023 to 31.12.2023 in order for it to be in accordance with the Criteria.

Helsinki, 30th April 2024

Ernst & Young Oy
Authorized Public Accountant Firm



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EMPLOYEES



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GRI TABLE

ORGANISATION AND ITS REPORTING PRACTICES		PAGE	ADDITIONAL INFORMATION
2-1	Organisational details		Puustelli Group Oy. Teollisuuskatu 46, 29200 Harjavalta, Finland
2-2	Entities included in the organisation's sustainable reporting	2	Puustelli Group Oy.
2-3	Reporting period, frequency and contact point		Accounting period 1 January - 31 December 2023. Puustelli publishes the report in April each year. More information from sustainability@puustelli.
2-4	Restatements of information		No restatements made
2-5	External assurance	32	Assurance report by EY
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	2,7	
2-7	Employees	18-19	
2-8	Workers who are not employees	2	
GOVERNANCE			
2-9	Governance structure and composition	26	
2-12	Role of the highest governance body in overseeing the management of impacts	25	
2-13	Delegation of responsibility for managing impacts	25	
2-14	Role of the highest governance body in sustainability reporting	25	
2-15	Conflicts of interest		Puustelli Code of Conduct is available at https://www.puustelli.com/about-us/responsibility
2-20	Process to determine remuneration	26	
2-21	Annual total compensation ratio		Ratio including employment relationships lasting the whole year: 5.58
STRATEGY, POLICIES AND PRACTICES			
2-22	Statement on sustainable development strategy	6,7,8	
2-23	Policy commitments	8,18,27	
2-24	Embedding policy commitments	9,18	
2-26	Mechanisms for seeking advice and raising concerns	18	https://report.whistleb.com/fi/puustelli
2-27	Compliance with laws and regulations		No non-compliances or fines relating to sustainability topics
2-28	Membership associations	22	
STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	28	
2-30	Collective bargaining agreements		All employees
GRI 3: MATERIAL SUSTAINABILITY TOPICS			
3-1	Process to determine material topics	29-30	
3-2	List of material topics	28,30	
3-3	Management of material topics	25	

FINANCIAL IMPLICATIONS			
201-1	Direct economic value generated and distributed	22	
LOCAL POLICIES			
202-1	Ratios of standard entry level wage compared to local minimum wage		Not available
INDIRECT ECONOMIC IMPACTS			
203-2	Significant indirect economic impacts	22-24	
PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers	9,22	
ANTI-CORRUPTION			
205-2	Communication and training relating to anti-corruption policies and procedures	18	
205-3	Confirmed incidents of bribery and actions taken		No incidents of bribery during the reporting year
ANTI-COMPETITIVE BEHAVIOUR			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		No violations during the reporting year
MATERIALS			
301-1	Materials used by weight or volume		Not yet available for the reporting year
ENERGY			
302-1	Energy consumption within the organisation	14	
BIODIVERSITY			
304-2	Impacts of activities, products and services on biodiversity	14-15	
EMISSIONS			
305-1	Direct GHG emissions	15	
305-2	Indirect GHG emissions	15	Scope 3 emissions not reported
305-5	Reduction of GHG emissions	15	
305-7	Air emissions of nitrogen oxides (NOx) and sulphur dioxides (SOx)	16,31	
DISCHARGES INTO WATERWAYS AND WASTE			
306-2	Total waste by type and disposal method	12,13	
COMPLIANCE WITH ENVIRONMENTAL LEGISLATION			
307-1	Non-compliance with environmental laws and regulations		No non-compliances during the reporting year
SUPPLIER ENVIRONMENTAL ASSESSMENT			
308-1	Proportion of new suppliers screened using environmental criteria		All new suppliers (1)
EMPLOYMENT			



SUPPLY CHAIN



SOURCING



ENVIRONMENT



CARBON FOOTPRINT



EMPLOYEES



FINANCIAL



GRI TABLE

401-1	New employee hires and employee turnover	19	
LABOUR/MANAGEMENT RELATIONS			
402-1	Minimum notice period regarding organisational changes		Based on collective agreement
OCCUPATIONAL HEALTH AND SAFETY			
403-2	Types and frequency of injury, occupational disease, lost days, absenteeism and work-related fatalities	20	
TRAINING AND EDUCATION			
404-1	Average hours of training per employee per year	19	
404-2	Programmes for upskilling and transition assistance	19	
DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	19	
NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken		No incidents of discrimination during the reporting year
SUPPLIER SOCIAL ASSESSEMENT			
414-1	Suppliers that were screened using social responsibility criteria	9	
CUSTOMER HEALTH AND SAFETY			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No non-compliances during the reporting year
MARKETING AND LABELLING			
417-2	Incidents of non-compliance concerning product and service information labelling		No non-compliances during the reporting year
CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No non-compliances during the reporting year