



**HS TIMBER
GROUP**

HS Timber Group

Environmental Policy

Version February 2025

Our economic success depends on our supply base, a sustainably managed forest, and a healthy environment. The use of wood is essential for tackling the climate change challenges. Wood from sustainably managed forests is one of the most sustainable material available (see HS Timber Group's Timber Sourcing Policy). By responsibly using wood we aim to support and become an integral part of a circular economy.

We are committed to health, safety and the environment by providing a safe workplace and ensuring managers and employees are well-trained, skilled, and aware of how their actions impact the environment.

For new investments, we consistently prioritize state-of-the-art technology that adheres to high environmental standards and actively supports the achievement of our climate targets.

We therefore commit to:

- + Promoting a corporate culture in which responsible use of our resources and effective environmental management are an integral part of our economic activities, supporting innovation and success.
- + Full compliance with national and/or international environmental requirements with the objective of exceeding the requirements, thus moving towards a higher level of environmental protection.



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- + A greenhouse gas emissions reduction target by 50% by 2030¹ by continuously substituting fossil energy sources with renewable energy sources.
- + A continuous evaluation of the reduction of greenhouse gas emissions related to our value chain.
- + Continuous improvement of energy efficiency through machine replacement, fleet replacement, building management and improvement of capacity utilization.
- + Improving resource efficiency specifically for our main resources.
- + Minimising the volume of waste generated by our operations, maximising the re-use and recovery of waste, specifically ash, and ensuring the most environmentally friendly treatment and disposal of each type of waste.
- + The target of purchasing timber exclusively from certified forests by 2030 and actively engaging in forest restoration actions to ensure the sustainability of our timber and, among others, to contribute to biodiversity protection.
- + A dialogue with stakeholders and employees to ensure the achievement of our environmental objectives through continuous improvement.

Implementation:

This policy applies to all timber processing and trading companies of HS Timber Group.

Implementation of this policy is a shared responsibility of the mill management, which is accountable for its implementation at the sites, and group management, which regularly reviews the policy. This will ensure consistency of the policy, appropriateness and effectiveness in relation to the environmental impacts and the risks associated with our economic activities along the whole supply chain.

The implementation is supported by an environmental management system aligned with ISO 14001:2015, which is addressing the main environmental risks and opportunities for each of the mills. We are striving for a unified environmental management system across all our mills, coordinated at group level. The decision on whether to seek ISO 14001:2015 certification is at the discretion of the respective mill management.

Public reporting on the status of implementation and target achievement will be provided in the yearly Sustainability Report of HS Timber Group.

Management Board of HS Timber Group

¹ Reduction target refers to Scope 1 and Scope 2 (Greenhouse Gas Protocol), base year 2023; a reduction target of 10% is set for Scope 3.