



KiilTO

Sustainability Report 2025

Kiilto Family Group

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Business and Strategy

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Our responsibility is to manage the present and ensure that Kiilto remains sustainable and relevant in the years ahead.

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Our commitments

Developing and growing sustainable business

Kiilto's commitment to the future remains strong. Starting the new strategy period at the beginning of 2025, Kiilto was able to embed sustainability, especially environmental impact, more clearly across all levels of the new strategy. Continuing to take concrete actions to contribute to the sustainable development of various customer and stakeholder groups as well as the entire industry, Kiilto focuses on both identified business area-specific issues and corporate-level sustainability targets.

In 2025, Kiilto continued the learning path, publishing another Corporate Sustainability Reporting Directive (CSRD) inspired sustainability statement. Despite the changes in the Omnibus Directive, Kiilto is committed to developing sustainability reporting in accordance with ESRS standards. Kiilto's sustainability disclosures and key metrics are based on the Double Materiality Assessment (hereafter materiality assessment) conducted during 2023-2024 and qualitatively refined in 2025.

The Sustainability Statement consists of four parts: general disclosures and three topical sections: Environmental, Social, and Governance information. Kiilto is committed to providing its customers and other stakeholders with transparent, comprehensive, and continuously evolving sustainability reporting. Kiilto has been a member of the global chemical industry's sustainability programme, Responsible Care, since its inception in Finland. During

these over 30 years, member organisations have witnessed significant changes in lowering accident rates and reducing energy and water consumption, as well as greenhouse gas emissions. The key themes of the program are aligned with Kiilto's Promise to the Environment and Promise to People, including the efficient use of natural resources, product safety, occupational safety and well-being, open interaction, and co-operation.

In recognition of the strong financial performance, Kiilto has earned the Kauppalehti Achievers certificate for 15 consecutive years. Less than 1 percent of companies are awarded the Achievers certificate for more than 10 consecutive years. The certificate, which has been in circulation since 1898, was awarded to the Kiilto Family Group by a commerce-oriented newspaper, Kauppalehti. To obtain the certificate, a financial analyst assesses the company and grants the certificate if they find that the company is performing better than its peers. To grant the certificate, the company's financial condition is measured in six areas: growth, profitability, results, liquidity, solvency, and risk tolerance. In each area, the company is compared to companies of its own size class, all companies in the Kauppalehti company database, and companies in its own industry. Kiilto also has the highest possible A+ credit rating from Alma Risk Rating. The rating indicates the company's very strong financial position and exceptionally low risk of payment difficulties.

Kiilto invests in the future by promoting occupational wellbeing, fostering innovation, and assuring sustainable growth. For Kiilto, growth is a result of courage, desire, and the ability to renew. By focusing on environmental innovations, Kiilto continuously tests and develops new products, services and processes that maximise reusability without harming people or the planet. This enables Kiilto to move beyond a take-make-dispose business model and optimise resource use. At Kiilto, everyone is encouraged to make a difference. Continuous renewal has made Kiilto a trusted partner for its customers and other partners.

Forewords from the owners

The year 2025 was, in many ways, a year of change at Kiilto. The start of a new strategy period marked an important step in strengthening our focus, alignment, and long-term direction. Our 2025–2028 strategy emphasises the importance of the environment as an even stronger driver of our business operations. Sustainability themes are reflected from the business-area level all the way to optimising product portfolios. To remain agile, we shortened our strategy period to three years and adopted the OKR model to drive strategy execution.

In the spring, we prepared intensively for the upcoming CSRD reporting and began implementing a new standardised approach to communicating our sustainability work. In the middle of the reporting process, however, the Omnibus initiative began to suggest that the reporting obligation might not apply to Kiilto after all. A decision had to be made on how to proceed. In the end, it was easy. Reporting is a tool for developing our business, and, beyond improving our own processes, it also serves our customers and other stakeholders. Kiilto will therefore continue sustainability reporting and will develop the sustainability of its business in a determined and ambitious manner going forward.

We welcome the tightening regulation on green claims. However, translating it into everyday practice is not quite straightforward. It requires dialogue, clear decisions, and shared guidelines. During 2025, we regularly brought together key actors in our organisation to advance how we will communicate environmental aspects going forward.

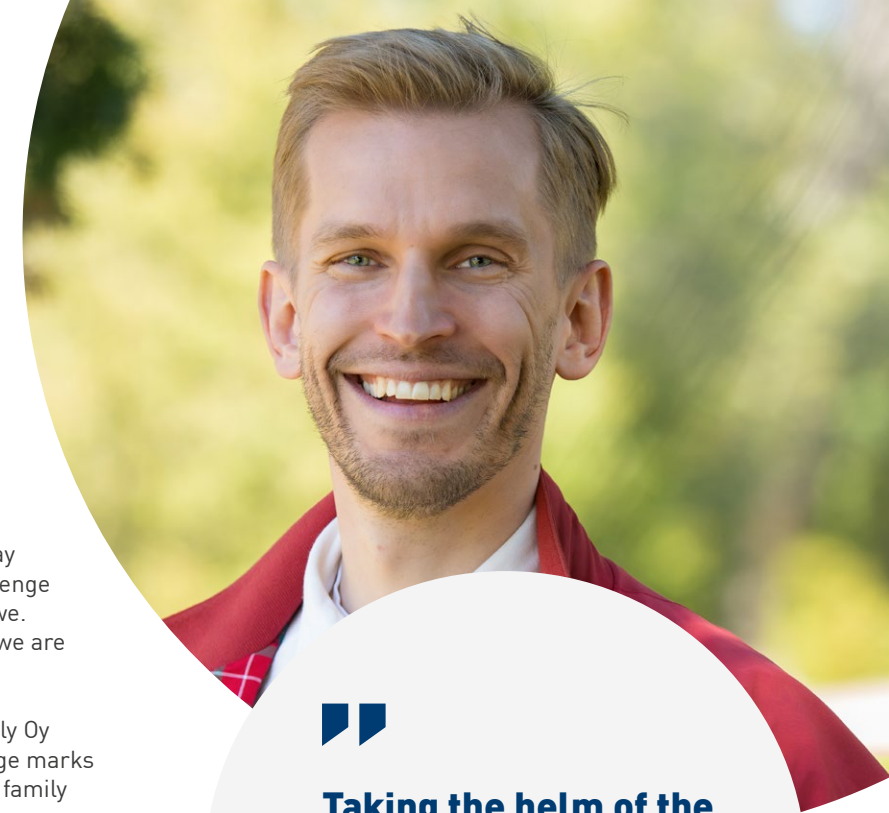
Providing precise sustainability information is a way to respect all stakeholders. Companies must challenge themselves and develop with the times—so must we. Sustainability communication is in transition, and we are continuously learning how to improve it together.

In June, the Annual General Meeting of Kiilto Family Oy elected Ville Solja as Chair of the Board. The change marks an important step in ensuring the continuity of the family business. He is the fourth generation in this role.

In the final quarter of the year, we took another major step toward harmonising our operations and processes when we announced that Kiilto Group, KiiltoClean Group, and Kiilto Family would be merged into a single organisation, Kiilto Group. Organising around four business areas allows us to deepen our expertise and develop solutions that create even more value for our customers.

Although the changes made at Kiilto during 2025 relate primarily to our internal organisation and business management, their benefits will quickly be reflected in the value we create for our customers. For example, by simplifying our organisational structure and sharpening our strategic priorities, we can bring more targeted and sustainable solutions to market faster.

We dare to claim that what has characterised the past year is courage: the courage to step into new roles, the courage to shake up structures, the courage to set boundaries and



Taking the helm of the family business with over a hundred years of history feels truly meaningful.



targets. Choosing to focus on something inevitably means consciously placing less emphasis elsewhere. Letting go may also require courage. Change always does. Sustainable business requires the ability to adapt to the spirit of the times, and above all, the ability to anticipate the changes the future will demand.



Basis of preparation for sustainability statement 2025

Kiilto's sustainability statement has been compiled with inspiration from the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). It covers the period from January 1 to December 31, 2025. The scope of the sustainability statement differs from Kiilto's financial statements, as the following group entities are not part of the sustainability reporting: Intermedius Oy, Kiilto Kiinteistöt Oy, and Antso Oy. These companies adhere to the same principles and guidelines as the companies included in the sustainability report.

Kiilto does not use the option to omit specific information related to intellectual property, know-how, or innovation results, or use the option granted by Member States to omit disclosure of pending developments or ongoing negotiations.

The sustainability statement covers both upstream and downstream aspects of Kiilto's value chain. The upstream value chain includes the sourcing of raw materials and supplier engagement, while the downstream value chain encompasses product distribution, customer engagement, and end-user considerations.

Comparative information for the prior reporting period has been adjusted. The adjustments are disclosed in the relevant sections, including updated figures and explanations of the changes. Kiilto has not deviated from the medium- or long-term time horizons defined by ESRS.

Kiilto in numbers 2025

Personnel

728

Average 723.
(739/732 in 2024)

Turnover, MEUR

217

(220 in 2024)

Profit, MEUR

18

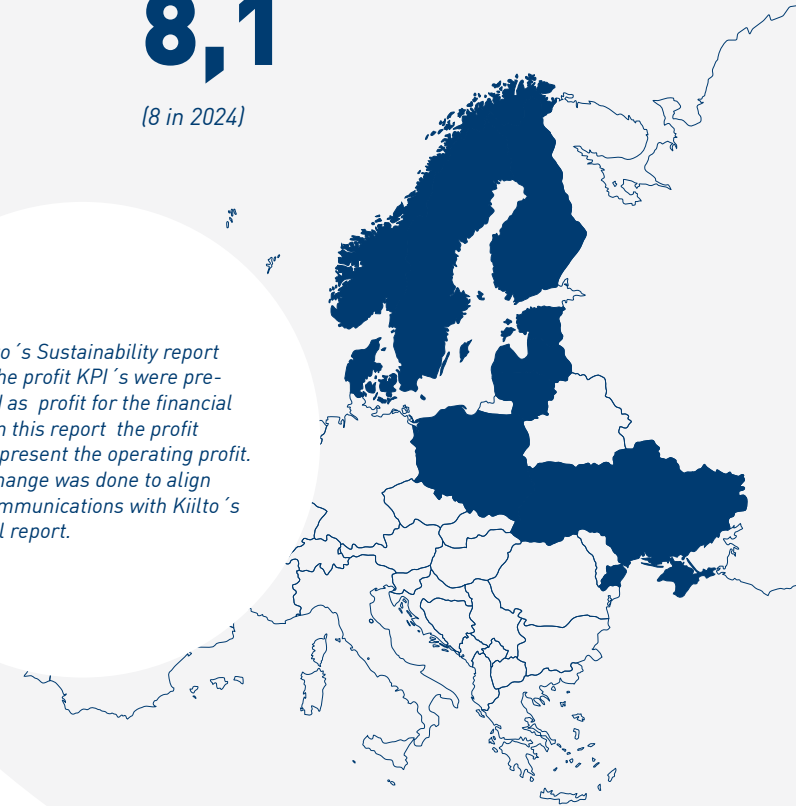
(18 in 2024)

Profit %

8,1

(8 in 2024)

In Kiilto's Sustainability report 2024 the profit KPI's were presented as profit for the financial year. In this report the profit KPI's present the operating profit. This change was done to align the communications with Kiilto's Annual report.



Kiilto's sustainability governance

Governance structure

Kiilto's highest governance bodies consist of the Board of Directors of Kiilto Family Oy (hereinafter 'The Board') the management teams of Kiilto Group, KiiltoClean Group, and Kiilto Family (hereinafter 'the Management Teams'). To strengthen its ability to serve customers even more comprehensively, Kiilto decided to merge the organisations of Kiilto Group, KiiltoClean Group, and Kiilto Family into one Kiilto Group. Kiilto Ventures remains an independent company. The change will be gradual, but the formation of the new organisation started on October 1st, and the first change occurred within the Leadership team. The Managing Director of Kiilto Oy, Anssi Asikainen, was appointed CEO for the new organisation.

The board has one committee, the Nomination and Remuneration Committee, whose members are also members of the Board. The Board has seven members, of which 43% are men and 57% are women. Five of the Board members are non-executive members, and two are executive members. There are no employee representatives on the Board. No individual responsibilities related to impacts, risks, and opportunities are defined in the Board's terms of reference or member mandates.

The Nomination and Remuneration Committee has 3 members: the Chair of the Board, the Deputy Chair, and an additional Board member. From the Nomination and Remuneration Committee members, 33% are women and 67% are men. One of the Committee members is a non-executive member, and two are executive members. There are no employee representatives in the nominating and remuneration committee.

The Management Teams had 22 members, of which 40% were women and 60% were men. Both Kiilto Group and KiiltoClean Oy management teams had one employee representative, who was nominated in turn by a different employee group. All Management Team members were executive members, excluding the employee representatives. The Leadership team has 10 members, of which 30% were women and 70% are men.

Sustainability governance

The Board and the Management Teams play a central role in the governance processes, controls, and procedures in monitoring and overseeing impacts, risks, and opportunities related to sustainability themes.

The Board is the highest body responsible for overseeing the impacts, risks, and opportunities. Additionally, the Board approves sustainability objectives at the group level, including Scope 1-3 emission reduction targets and sustainability objectives related to business strategies. The Board also approves policies related to sustainability and ensures that sustainability reporting requirements are met.

The Nomination and Remuneration Committee is responsible for evaluating the Board's capabilities in sustainability oversight on an annual basis. Individual self-assessments are conducted to provide an overview of the Board's strengths and areas for improvement.

The Leadership Team is responsible for overseeing the impacts, risks, and opportunities within their respective level of influence. They manage the annual implementation of sustainability-related risk assessments and contribute

to the double materiality assessment managed by the Head of Sustainability. The Leadership Team monitors changes in regulatory requirements, set operational objectives aligned with the strategy, and oversee their implementation.

The Leadership Team is also responsible for overseeing the overall risk management process and compliance risks. It reviews and approves the risk management policy and ensures that the necessary resources are allocated for effective risk management. It also conducts semi-annual risk reviews, in accordance with certified quality systems, to ensure that all functions are monitoring and controlling related risks regularly. Sustainability risks are specifically evaluated based on yearly double materiality assessment and OECD's due diligence requirements.

The sustainability management is organised in two tiers: group-level sustainability coordination and business area sustainability coordination. Group-level sustainability coordination includes managing Kiilto's Promise to the Environment, Promise to People, and Good Governance Groups. Their tasks relate to risk assessment, regulatory updates, target setting, performance reviews, reporting, and communication. Business area sustainability coordination focuses on local and business area-specific sustainability initiatives, including tracking KPIs, setting project targets, monitoring performance and budgets, and reporting. Sustainability work is organised within existing business functions, and the Head of Product Stewardship coordinates work in cooperation with management and Kiilto Family Group's Head of Sustainability.



The Board and the Leadership Team consist of individuals with diverse backgrounds, and the Board members bring expertise in the following areas: corporate responsibility-driven innovations, finance and risk management, international business and operational leadership, corporate responsibility and ESG, governance and compliance, strategic planning, brand building and communication, customer experience, cybersecurity, IT, and digitalisation. These skills and expertise are directly linked to the company's material impacts, risks, and opportunities, ensuring that the Board and management are well-equipped to address sustainability challenges and drive positive outcomes.

Management and the entire operational organisation conduct annual self-evaluations as part of integrated HR processes to assess the capabilities required for each role. Supervisors review these evaluations and collaborate with employees on development plans if there is a need to acquire new skills and knowledge to meet the position's criteria. The Board and the Leadership Team continuously evaluate whether the organisation has sufficient resources to oversee the sustainability agenda.

Sustainability topics addressed by the Board

The Board receives monthly written reports on sustainability initiatives, which include KPIs and status updates regarding Promise to the Environment. Additionally, the Board holds one dedicated meeting each year to receive a detailed overview of the processes related to various sustainability targets and to discuss these matters with the employees responsible for achieving the sustainability objectives. During the reporting period, the Board addressed a wide range of sustainability related matters across governance,

new strategy, and business development.

From a governance and compliance perspective, the Board addressed the reorganisation of sustainability management, the renewal of the structure and targets of Kiilto's Promise to the Environment and Promise to People, the annual sustainability cycle, and a review of sustainability performance in previous years. The Board also considered its responsibilities under the Corporate Sustainability Reporting Directive (CSRD), assessed the implications of the CSRD and related Omnibus initiatives for Kiilto, monitored developments in sustainability related regulation, and reviewed Kiilto's approach to green claims.

The Board further discussed the strategic and financial dimensions of sustainability, including sustainability related costs and the role of sustainability reporting as a tool for strengthening Kiilto's competitive advantage. Attention was given to the integration of sustainability considerations into strategic decision making and long term value creation.

In addition, the Board reviewed the development of sustainable products and solutions as a key enabler of environmentally sound innovation, supporting the achievement of Kiilto's environmental targets and strengthening the commercial relevance of sustainability within the business.

Finally, the Board reviewed the Kiilto Ventures portfolio, which focuses on early stage investments aimed at improving the sustainability and liveability of the built environment through innovations such as circular materials, energy efficiency, and digitalisation.

The Board is responsible for approving Kiilto's strategic objectives, including sustainability-related objectives. The current strategy is valid for the 2025–2028 period. These sustainability-related objectives include Kiilto's mission, 'Building a sustainable future and creating wellbeing from

cleanliness,' as well as the strategic objective of driving the markets towards positive environmental impact in each business. The business area-specific strategic objectives include reducing environmental impact by increasing the share of environmentally sustainable solutions in the portfolio and enhancing sustainable innovation.

In monitoring the strategy, the Board and the Leadership Team track key performance indicators, including progress on the carbon footprint against the established target. In addition, the Promise for the Environment working groups track the progress of their respective projects and provide monthly reports to management and the Board. Targets are reviewed annually and, if necessary, revised. The Promise to People targets are also reviewed annually.

Sustainability-related performance in incentive schemes

Currently, there are no incentive schemes or remuneration policies related to sustainability for members of the Board or The Leadership Team. However, the performance of the Board and The Leadership Team is evaluated based on the

achievement of various targets, including the reduction of Scope 1-3 emissions, implementation of circular economy practices, improvement in employee satisfaction, health and safety metrics, enhancement of community engagement and social impact initiatives, and progress in achieving diversity, equity, and inclusion goals. Neither the Board nor the The Leadership Team receive compensation for meeting these targets.

Regular performance reviews and feedback sessions are conducted to ensure progress toward these targets and to identify areas for further improvement. The outcomes of these evaluations inform decisions related to remuneration, promotions, and professional development opportunities. However, these sustainability-related performance metrics are not considered performance benchmarks, nor are they included in remuneration policies.

The Board reviews and decides on incentive schemes annually. It also mandates the Leadership Team to prepare new proposals for incentive schemes, if necessary.

Statement on due diligence

The OECD Due Diligence framework is integrated into Kiilto's sustainability cycle. The process consists of the following phases: identifying and assessing impacts, preventing or mitigating impacts, tracking implementation and results, and communicating how impacts are addressed.

During 2025, Kiilto conducted a human rights impact assessment and further developed and harmonised the use of the Supply Relationship Management process across all business areas. These actions, aimed at strengthening the

collection of information on the status of due diligence, are described in more detail in the Business Conduct section. Kiilto's Human Rights in the Value Chain workstream, under Our Promise to People, continues to advance this work, building on the findings of the human rights impact assessment.

Kiilto has established policies, targets, and actions related to material sustainability topics, which are presented in sections Our Promise to the Environment and Our Promise to People.

Risk management and internal control processes related to sustainability reporting

Risk management and internal controls for sustainability reporting are embedded into Kiilto's existing reporting and governance processes. These controls aim to ensure the accuracy, consistency, and reliability of disclosed sustainability information. Key elements of internal controls include defined roles and responsibilities for sustainability reporting, standardised reporting processes and frameworks, and layered review processes. Kiilto regularly reviews and develops its sustainability reporting processes in response to changes in regulation and reporting standards, developments in internal data availability and quality, and feedback from internal and external stakeholders.

The Board holds ultimate responsibility for reviewing and approving the reported information. The process begins with the operative organisation preparing the sustainability report, ensuring that all material topics are covered. An external advisor is then engaged to assess the report's completeness. Next, an internal team reviews the report for

accuracy and completeness. Finally, the Board reviews and approves the report before its publication. A risk assessment has not been conducted for sustainability reporting.

Level of expertise by Board of Directors

Qualification and expertise	Ville Solja	Eeva Solja	Anna-Sofia Geisler	Johanna Kalela	Suvi Haimi	Hannu Saarjärvi	Anssi Tammilehto
Strategic competence – Ability to define, evaluate, and guide the organization’s long-term strategy.	x	x		x	x	x	x
Finance and funding – Understanding of financial management, budgeting, risk management, and investment decisions.							x
Legal affairs and regulation – Knowledge of legislation, governance practices, and corporate responsibility.							
Risk management and compliance – Skill to identify and manage risks and ensure compliance with rules and regulations.		x		x	x	x	x
Leadership and HR – Experience in human resources, leadership, organizational development, and corporate culture.	x	x		x		x	x
Industry expertise – Deep knowledge of the company’s industry, markets, and competitive situation.	x	x					
Technology and digitalization – Understanding of new technologies, innovation, and digitalization to support business.	x			x	x	x	x
Marketing and customer experience – Insight into brand building, customer experience development, and marketing strategies.		x			x	x	
Sustainable development and responsibility – Knowledge of ESG issues (Environmental, Social, Governance) and responsible business.	x	x		x	x		x
International business – Experience and understanding of the global market, international expansion, and cultural differences.							
Additional qualification and information							
Board member since	2017	2008	2025	2023	2021	2015	2021
Independent of the company and shareholders	No	No	No	No	Yes	Yes	Yes
Other simultaneous board memberships (pcs)	0	1				3	1
Age category (<30; 30-50; >50 years)	30-50	30-50	30-50	30-50	30-50	30-50	30-50
Gender	M	F	F	F	F	M	M

Kiilto's strategy, value chain and business model

Strategy and business model

Kiilto is a family-owned company with over a hundred years of history. Kiilto develops, produces, and sells chemical industry solutions in four business areas: construction, industrial adhesives, professional hygiene, and consumer goods. Kiilto consists of 23 companies. Kiilto Family Oy is the ultimate parent company. Kiilto Oy and its daughter companies are active in construction and industrial adhesives and fireproofing businesses, KiiltoClean Oy and its daughter companies are active in professional hygiene, and consumer goods. In 2025, Kiilto decided to merge Kiilto Oy, KiiltoClean Oy and Kiilto Family into one Kiilto Group. The legal changes will take place during the coming years, but the way of working as a single joint group started immediately.

Intermedius Oy manufactures products for the footwear, textile, steel, and engineering industries as well as plastic-coated products. In addition, the following companies belong to Kiilto: investment company Antso Oy, Kiilto Kiinteistöt Oy, owning the Finnish real estate assets, Kiilto Family AB, an internal service provider for Swedish Kiilto companies, and Kiilto Ventures Oy, an early-stage venture capital company, which invests in and supports startups addressing environmental challenges in the built environment. Kiilto has production in Finland, Sweden, and Denmark, and most of the sold products are produced at Kiilto's own plants. Currently, Kiilto employs a total of 723 Kiiltonians (headcount).

Construction

Kiilto serves construction professionals both with expertise services and one site services, including professional trainings, technical support, guidance on site, floor screed pumping and floor levelling height planning services, as well as tensile strength testing. The most significant product groups are waterproofing membranes, primers, floor levelling and pumpable floor screeds, cementitious adhesives, silicones, grouts and sealants. The main markets for these products are Finland, Sweden, Estonia, Poland, Latvia, Lithuania, and Ukraine.

Industrial adhesives

In the industrials adhesives business area, Kiilto serves customers in industries such as paper and cardboard, marine, windows and exterior doors, woodworking and furniture, flooring, transportation, filtration, food, prefabricated buildings, CLT and glulam, graphics, and foundry. The most significant product groups are adhesives, and flame retardants. The main markets for these products are Finland, Sweden, Estonia, Poland, Latvia, Lithuania, and Ukraine.

Professional hygiene

In professional hygiene, Kiilto serves customers in the food, healthcare, professional cleaning, and technology industries. The most significant product groups are

disinfectants, detergents, cleaning agents, cleaning devices, and equipment. The main markets for these products are Finland, Sweden, Denmark, Norway, Estonia, Latvia, and Lithuania.

Consumer goods

The consumer goods business area serves the consumer market, and the most significant product groups are home-cleaning products, cosmetics, and personal-hygiene products. The main markets for these products are Finland and Norway.

There have been no significant changes in the offering during the reporting period. Kiilto has no products or services banned in certain markets, and Kiilto is not active in the fossil fuel sector, controversial weapons, or the cultivation and production of tobacco. Kiilto is active in chemical production, and the revenue from chemical production was 217 million euros.

Kiilto's strategy aims to drive the market toward a positive environmental impact across all business areas in which the group operates. Customer demand is increasingly focused on products with a smaller environmental footprint. By developing environmentally focused products, Kiilto helps its customers achieve their own sustainability goals. In practice, this is accomplished, for example, by increasing the use of bio-based raw materials, utilising packaging

made from bio-based, renewable, or recycled materials, designing packaging that is easy to recycle after use, innovating new ways to enhance circularity and continuously training customers in the correct use of products, as well as business area-specific environmental and health and safety topics.

Value chain

Kiilto's value chain consists of actors in the upstream, own operations, and downstream stages. The upstream value chain includes raw material and packaging material suppliers and logistics providers. Own operations cover product manufacturing, marketing, finance, RDI, ICT, communications and governance. The downstream value chain includes logistics providers, professional users, consumers, and end-users.

Kiilto's main inputs include raw and packaging materials, energy, labour, expertise, technology, equipment, and financial resources. The key outputs consist of final products, emissions, waste, intellectual property, and innovation. Additionally, Kiilto generates benefits such as financial returns for stakeholders, employment opportunities for workers, and valuable products for customers.



Sustainable choices throughout the value chain



Raw materials

The materials must be safe for the user and the environment and must ensure the quality, functionality, and competitiveness of the product. Raw material procurement is always based on objective criteria, which are regularly evaluated and updated. The impacts of raw materials are assessed on the basis of the emissions, biodiversity and human rights information provided by the supplier, and the information available in the databases.



Packages

Kiilto requires that the packaging supplier follows generally accepted quality and sustainable operating models. A local supplier is selected if possible. Together with its partners, Kiilto develops more resource-efficient packaging by, for example, including renewable and recycled materials and making recycling easier. Packaging must be as light as possible without compromising safety. This reduces both the amount and the cost of packaging waste. Bulk deliveries enable nearly packaging-free deliveries.



Logistics

Large-scale containers, bulk deliveries, more resource-efficient packaging, and centralised transport of raw materials all reduce waste, emissions, and costs. Kiilto is constantly developing its supply chain and strives to optimise both raw material purchases and product delivery times to minimise emissions from logistics.

The timeliness, flawlessness and safety of deliveries are quality indicators that monitor the level of both our own and the carrier's operations.



Research, development, and innovation

10% of Kiiltonians work in RDI. Kiilto's own product development team quickly reacts to customer needs, changes in legislation, and technological developments. Kiilto is looking for better, more sustainable, and competitive solutions for the user and the environment. Kiilto invests in more environmentally sound innovation and the development of new business.



Production

Kiilto's products are manufactured as close to the customer as possible. Local production minimises the environmental footprint of operations and increases delivery reliability. Kiilto's factories are located in Finland, Sweden and Denmark. Closed manufacturing, batch-specific processes, as well as dosing and transfer solution minimise by-products and emissions to soil, air, and water.



Use of the product

The customer receives a safe, high-quality, and economically optimal product. For professionals, Kiilto provides training at Kiilto's own premises and those of the customers', as well as in webinars. The topics include the correct and safe use of Kiilto's products, systems, and working methods. All trainings also include an environmental module. All Kiilto's products have clear instructions for use, and technical support team serves Kiilto's customers in various questions related to the use of products.



Customer

With its solutions and services, Kiilto helps improve customers' financial performance, efficiency, sustainability work, and competencies. These are the most important factors guiding Kiilto's product development. Developing products in cooperation with customers ensures a practical understanding of their operating environment and helps detect future signals as early as possible.



Recycling and disposal

Clear product recycling and disposal instructions help dispose of product residues and empty packaging in the right way. Kiilto is also developing opportunities for refilling and closed-loop packaging. An important development project is material re-use, and this is sought by, for example, de-bonding on demand.

Approach to stakeholder engagement

Kiilto seeks to ensure meaningful engagement with various stakeholder groups by regularly collecting information and data from them. This analysed information serves as the foundation for annual action plans and decision-making. Kiilto encourages open dialogue with both internal and external stakeholders.

Stakeholder interests and perspectives were studied in the double materiality assessment process conducted in 2024. The stakeholders involved included the company's own workforce, customers, owners, management teams, financial partners, municipalities where the group companies operate, suppliers, and some relevant non-governmental organisations and educational institutions. Kiilto updates the double materiality assessment annually and assesses the need for further stakeholder engagement. In 2025 the double materiality assessment was refined from three perspectives. First by analysing approximately 300 stakeholder interviews done by Kiilto Ventures. The interview material was analysed using AI tool to search for sustainability topics that arising organically in the discussion. Kiilto's sustainability round table group also assessed the needs for refining Kiilto's material topics in relation to Kiilto's new strategy and business targets. Third indicator for reassessment was the renewal of Kiilto's promise to the Environment and Promise to People, which required a thorough consideration of a structure that serves Kiilto's business areas and development of operations, industry development, and accurate information for sustainability reporting.



Kiilto stakeholders, expectations, and actions

Stakeholder group	Stakeholder expectations	Kiilto's expectations	Meeting stakeholder expectations
Customers: professionals and consumers, direct and indirect	<ul style="list-style-type: none"> Finding a solution that meets usage needs Increasing customers' competence and competitiveness Product quality and reliability Customer service and availability Kiilto's expertise on the customers' processes and meeting their commercial interests Sustainability in operations and products Kiilto's help in meeting sustainability targets 	Ensuring and developing customer relationships and ensuring sustainable growth	<ul style="list-style-type: none"> Up-to-date understanding of the operating environment and market requirements Functional, safe and effective products and a comprehensive range Own product development, innovativeness Expertise, production reliability and speed Customer-oriented process management The functionality of customer service as well as product information, advice and training Maintaining competitiveness and developing sustainability Transparent and reliable communications Regulatory compliance
Personnel	<ul style="list-style-type: none"> Job security, earnings level and its development Wellbeing at work and occupational safety Competence and career development Social Benefits Good management Diversity, equity and inclusion 	Ensuring a skilled, committed and productive workforce	<ul style="list-style-type: none"> Employee wellbeing programme Occupational health and safety practices Continuity of operations and business Work-life balance Training and career development opportunities Performance bonus and reward practices A corporate culture that creates a sense of community Good leadership and psychological safety Continuous development of sustainability and rapid response to raised issues Securing the continuity of the business and ensuring fair wages
Owners and financiers	<ul style="list-style-type: none"> Financial return, risk management and steady development of operations Meeting strategic and sustainability targets 	Ensuring financing of operations	<ul style="list-style-type: none"> Ensuring the profitability of operations and the solvency of the enterprise Controlled and profitable growth
Suppliers	<ul style="list-style-type: none"> Commercially viable, economically stable and sustainable partnership Continuing cooperation, ensuring competitiveness, reputation, and growth Openness and constructive interactions 	Commitment to quality, sustainability, Code of Conduct and contracts	<ul style="list-style-type: none"> Improving cooperation, solvency, reliability and clear assignments Maintaining purchase volume, as well as competitive price level Adequate product specifications Acting as a reference

Stakeholder group	Stakeholder expectations	Kiilto's expectations	Meeting stakeholder expectations
Authorities and Kiilto's production municipalities	<ul style="list-style-type: none"> • Tax revenues, employment, general wellbeing and local investments • Monitoring, mitigating and responding to risks and opportunities in the chemical industry and sustainability • Following legislation and influencing its development • Conserving natural resources and mitigating and adopting to climate change • Access to information and support, getting help to alleviate grievances • High-quality safety and security management 	<ul style="list-style-type: none"> • Ensuring favorable conditions and permits for operations, know-how, technology, and sufficiency of resources • Benchmarking of good practices 	<ul style="list-style-type: none"> • Job supply and employment projects • Training and supporting employee and ensuring needed capabilities • Profitable and growing business. Location, expansion decisions, and investments • Sustainability programmes, consultation, information exchange and cooperation • Continuous expert communication to increase knowledge in the field of chemistry
Media	<ul style="list-style-type: none"> • Open communication and active sharing of the latest information • Expert assistance • Transparency and openness to discussion 	<ul style="list-style-type: none"> • Highlighting topical issues and sharing correct information • Open and constructive dialogue 	<ul style="list-style-type: none"> • Open dialogue and transparency • Continuous communications • PR work and media distribution and monitoring • Offering expert assistance
Educational and research institutions	<ul style="list-style-type: none"> • Enabling internships and research projects. • Contributing to development of degree programmes and study materials and providing expert assistance • Development of professional skills and work readiness • Development of science, technology and its availability 	<ul style="list-style-type: none"> • Ensuring up-to-date know-how and technology • Developing new innovations and solutions and providing research results • Promoting the attractiveness of the Chemical industry and ensuring the sufficiency of resources 	<ul style="list-style-type: none"> • Provision of internships, seasonal jobs and thesis. • Introductory events and research collaboration • Scholarships, grants, donations, research projects and RDI collaboration • Providing training for supervisors on instructing and onboarding the ones entering the work life and ensuring a company culture that supports that
Non-governmental organisations	<ul style="list-style-type: none"> • Support for activities and cooperation • Transparency, open dialogue, access to information and assistance • Empowerment 	<ul style="list-style-type: none"> • Promotion of health, culture, wellbeing and sustainability • Strategic cooperation potential • Increasing the understanding on Chemical industry in society 	<ul style="list-style-type: none"> • Continuous and consistent support of chosen activities • Open dialogue and cooperation with relevant organisations

Material impacts, risks, and opportunities

Material topic	Sub-topic	Impact, risk, opportunity	Time horizon	Value chain position
Climate change	Climate change mitigation	Opportunity to reduce scope 1 and 2 emissions	Short-term	Own operations
	Climate change mitigation	Negative impact related to carbon footprint of products	Short and medium-term	Upstream, own operations, downstream
	Climate change adaptation	Financial risk if legislative environment tightens	Medium-term	Own operations
	Climate change mitigation	Financial opportunity in the built environment due to tightening regulation and requirements	Long-term	Own operations
	Climate change mitigation	Financial risk if emissions in the value chain can't be reduced	Long-term	Upstream, downstream
Pollution	Substances of high concern	A risk due to the use of certain compounds (e.g. SoC) in the products and processes, and resulting to microplastics and VOC emission	Short-, medium-, and long-term	Upstream
Own workforce	Health and safety	Risks related to information security	Short- and medium-term	Own operations
Business conduct	Corporate culture	Positive impact for the company when maintained and developed in the future	Short-, medium-, and long-term	Own operations
	Corporate culture	Poorly maintained culture is considered to create significant negative impact	Short-, medium-, and long-term	Own operations

Identifying material impacts, risks, and opportunities

Kiilto's double materiality assessment was completed in 2024. This assessment aimed to identify and evaluate the company's impacts, risks, and opportunities across various sustainability matters. The process outlined below was used to assess these factors, considering both sub- and sub-sub-topics within each sustainability area. An external partner guided the assessment. During 2025, Kiilto's renewed strategy came into force, along with its sustainability targets. This also led to a revised approach to material topics and an expansion of those topics to include biodiversity, resource use, and the circular economy.

The process for identifying material impacts, risks, and opportunities was conducted as follows:

Identifying significant stakeholder groups to understand the impacts and their scale. Stakeholder groups engaged in the process were:

- Customers
- Own workforce
- Owners
- Municipalities, where Kiilto has production
- Actors in Kiilto's supply chain
- Educational institutions
- Financing partners
- NGO's relevant for Kiilto's business

Data collection from stakeholders and operational landscape review: An external partner conducted an orientation session on double materiality and a materiality workshop with a broad group of Kiilto's management from all operating countries. Kiiltoonians were also invited to participate in an optional online survey. Additionally, key customer groups and suppliers were identified, and their documentation— such as sustainability reports, tenders, questionnaires, and code of conducts, was reviewed. Results from the company's Reputation and Trust survey, as well as the personnel survey, were also included in the review. Interviews were conducted as a data collection method when other materials were unavailable or when data gaps emerged. Furthermore, a benchmark study of typical industry-related impacts, risks, and opportunities was carried out by the Chemical Industry Federation of Finland, and this was used to better understand potential material impacts, risks, and opportunities for Kiilto. The first two phases of the double materiality assessment resulted in a list of potential impacts, risks, and opportunities for further evaluation.

Analysis of impacts, risks and opportunities: Based on the material collected in the first two phases, the impacts, risks, and opportunities were reviewed and scored in internal workshops. The identified actual and potential impacts

were linked to the subtopics and sub-subtopics outlined in the ESRS standards and assessed across short-, medium-, and long-term time horizons by a diverse, cross-functional team. All participants focused on the company's impacts on the environment, society, employees, and other stakeholders, as well as the qualitative and financial risks and opportunities related to sustainability matters for the company's business.

Reporting: The findings of the phases in the double materiality assessment were reported and presented to Management Teams and the Board.



Scoring criteria

The impacts identified in the previous phases of the materiality assessment were scored based on a combination of scale, scope, irremediability, and likelihood. Risks and opportunities were assessed based on their likelihood of occurrence and magnitude. These impacts, risks, and opportunities stemmed from Kiilto's own operations as well as its upstream and downstream value chain – through products, services, and business relationships. Impacts on various sustainability topics were evaluated based on whether they were actual or potential, positive or negative, and their expected duration (short, medium, or long term). Actual positive impacts were assessed based on scale and scope, while potential positive impacts were evaluated based on scale, scope, and likelihood. Actual negative impacts were assessed in terms of severity, which was determined by a combination of scale, scope, and irremediability. Potential negative impacts were assessed based on severity as well as incorporating scale, scope, irremediability, and likelihood.

Risks and opportunities were categorised as either potential or actual and were assessed based on their likelihood of occurrence and magnitude. A sustainability matter was considered financially material if it generated risks or opportunities that affected, or could reasonably be expected to affect, the company's financial position, financial performance, cash flows, access to finance, or cost of capital over the short, medium, or long term. Additionally, dependencies on natural, human, and social resources were identified as potential sources of financial risks or opportunities.

The materiality scoring was conducted using 1-5 scoring scale. Impacts were evaluated at the product, product group, or product family level, considering the number of affecting business areas, the number of impacted groups, and whether the impact was local or global. The scale of impact (measured as an effect on profit, expressed as a percentage of net sales) was categorised as follows: none (0%), minimal (max 0.1%), low (max 0.5%), medium (max 1%), high (max 4%), and absolute (more than 4%). The risks and opportunities were evaluated on scale minimal (<5), informative (5-8), important (8-10), significant (10-12) and critical (≥ 12). The topics reaching the critical level were considered material and reported. However, though biodiversity, water, waste, supplier evaluation and circular economy didn't reach the critical level, they were considered relevant information for Kiilto's stakeholders and important to include to the sustainability statement. They are also developed as part of Kiilto's promise to the Environment. The results of the double materiality assessment and the scoring criteria will be reviewed and specified annually.



Our Promise to the Environment

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In 2025, Kiilto renewed its environmental targets to better support its new strategy and stakeholder information needs.

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Our commitments

The journey towards environmental leadership continues

Kiilto's Promise to the Environment initiative establishes the framework for all Kiilto's environmental efforts. In 2025, Kiilto renewed its environmental target to better support its new strategy and stakeholder information needs. Environmental leadership is a part of Kiilto's company culture that guides the ways of thinking, evaluating actions and decision-making.

Key legislative tools for the chemicals sector include the EU's directives, such as Registration, Evaluation and Authorisation of Chemicals (REACH), Classification, Labelling and Packaging (CLP), and the Biocidal Products Directive. As downstream users of chemicals, Kiilto's suppliers need to have registered their ingredients with the joint European registry maintained by the European Chemicals Agency. Registration involves assessing the dangerous properties of substances and the risks involved in their use as well as labelling substances with information on their safe use.

Kiilto's certified management systems ISO 9001, ISO 14001, ISO 45001, and ISO 13485 for medical devices cover product development, manufacturing, marketing, distribution,

customer services, storage, and material related activities. All Kiilto's production plants are ISO 14001 and ISO 9001 certified, which guarantees that the most important environmental aspects are considered. No site-based or company-based risk assessments have been needed.

Kiilto has aligned its energy and climate targets with Science Based Targets (SBTi) and the Paris Agreement, which calls for global warming to be maintained below 1.5°C. By setting the Science Based targets, Kiilto can ensure the future growth of its business while creating a positive impact and mitigating climate change. The targets were validated by the SBTi in 2026.

Kiilto's key tools for monitoring environmental responsibility include deviation reporting. Any Kiiltonian or anyone in the company's supply chain can report an incident that impacts the environment. Each reported incident is handled by an internal expert team that identifies the required monitoring and measures.

During 2025 Kiilto continued the internal discussion on its approach to Green Claims Directive and Empowering Consumers for Green Transition Directive (EmpCo) and proceeded with actions concerning markings on packaging, environmental claims on marketing




materials, environmental labels and product names. To ensure the transparent sustainability communications towards its customers and stakeholders, Kiilto aims to take a holistic approach to its entire operations in alignment to the directives and follows the discussion about the directives and regulation closely.

During 2025, Kiilto also prepared for the Packaging and Packaging Waste directive (PPWR) and the Digital Product Passports (DPPs) required by the Ecodesign for Sustainable Products Regulation (ESPR).

In 2024 Kiilto created an Environmental policy. In 2025 Kiilto worked with a Supply chain policy that requires incorporating an environmental impact assessment, including climate risks and biodiversity into the due diligence process for all raw materials and critical inputs and prohibits sourcing from suppliers engaged in illegal deforestation or activities causing material biodiversity loss. More specific Procurement Criteria has been described on Kiilto's Sustainable Procurement Policy. The Supply chain policy has not yet been signed by the Board of Directors.

Our Promise to the Environment



CLIMATE CHANGE

We commit to Science Based Targets including limiting global warming to +1,5 °C, and Net Zero 2050 target.

Emission reduction targets

Kiilto's reduction targets have been validated by the Science-Based Targets initiative (SBTi). You can find the detailed targets from the next page of this report.



ENVIRONMENTAL IMPACT OF PRODUCTS

We reduce materials with significant environmental impact, considering customer requirements and economical feasibility.

Actions

- We increase the share of sustainable product sales annually in Constructions and in Industrial Adhesives
- We increase the share of renewable raw materials annually in Professional hygiene and Consumer Goods.
- We decrease the amount of packaging material used in Professional hygiene and Consumer Goods products per produced tonne annually.



CIRCULAR ECONOMY AND REGENERATIVE BUSINESS

We excel in circular economy solutions and promote nature positive business.

Actions

- We increase the share of sustainable product sales annually in Constructions and in Industrial Adhesives
- We increase the share of renewable raw materials annually in Professional hygiene and Consumer Goods.
- We decrease the amount of packaging material used in Professional hygiene and Consumer Goods products per produced tonne annually.

Climate change

Transition plan for climate change mitigation

Kiilto has set targets to reduce greenhouse gas emissions in alignment with the 1.5°C limit of the Paris Agreement. Its emission reduction strategy follows the pathways defined by the Intergovernmental Panel on Climate Change (IPCC). Kiilto's reduction targets have been validated by the Science-Based Targets initiative (SBTi) and approved by Kiilto's Board of Directors and the Leadership Teams. Kiilto aims to reduce climate emissions in line with its science-based targets. Key initiatives include transitioning to bio-based district heating, increasing the use of renewable energy, and improving efficiency in production processes. Emission compensation remains an option, but only after all feasible reduction measures have been implemented. Kiilto is not excluded from Paris-Aligned Benchmarks.

Emission reduction targets

Net Zero

- Commitment to achieve net-zero greenhouse gas emissions across the value chain by 2050.

Near and Mid-term actions (2021-2031)

- Commitment to reduce absolute scope 1 and 2 GHG emissions 90.0% by 2031 from the 2021 base year.
- Commitment to reduce scope 3 GHG emissions 55.0% per tonne of products manufactured within the same timeframe.

Long term actions (2031-2050)

- Commitment to maintain a minimum 90.0% absolute scope 1 and 2 GHG emissions reduction from 2031 through 2050 from the 2021 base year. Kiilto also commits to reduce scope 3 GHG emissions 97.0% per tonne of products manufactured by 2050 from the 2021 base year.

Decarbonisation levers

The decarbonisation levers to achieve the targets include expanding the share of renewable energy, such as air-water, solar, and geothermal power, shifting from fossil fuels to renewable electricity in operations, enhancing energy efficiency in buildings and plants, and using alternative materials in production, such as replacing synthetic ethanol with bioethanol, among others.

Investments supporting the implementation of the reduction targets

In 2025, Kiilto did not make significant energy investments but saved €318,000 by using 17,509 GJ of self-produced energy. The transition to bio-based raw materials has so far resulted in minor additional expenses, as the share of costlier bio-based materials remains low. However, the annual additional cost of bio-based materials is projected to exceed €1 million.



Locked in greenhouse gas emissions

Kiilto recognises that certain key assets and products may contribute to locked-in greenhouse gas (GHG) emissions, which could present challenges in meeting Kiilto's climate targets. Locked-in emissions arise from long-lived infrastructure, energy-intensive manufacturing processes, and products that generate emissions throughout their lifecycle. Kiilto's production facilities rely on industrial heating and energy-intensive chemical processes, which, if not fully transitioned to renewable energy sources, may result in sustained emissions over their operational lifespan. Additionally, the procurement of fossil-based raw materials can cause significant embedded emissions that persist throughout the product lifecycle. Certain Kiilto solutions, while designed for durability and performance, may contribute to prolonged carbon emissions, particularly in applications where end-of-life disposal or recycling infrastructure is limited.

Locked-in emissions may jeopardise Kiilto achieving its emission reduction targets unless mitigation measures are implemented at an accelerated pace. Dependency on high-carbon raw materials may slow the transition to low-carbon alternatives and hinder overall reduction efforts. Stricter EU climate and sustainability reporting requirements may impose additional compliance costs and necessitate more rapid decarbonisation. The growing market demand for low-carbon products may further weaken Kiilto's competitiveness if adaptation is not executed on time.

Capital investments in carbon-intensive assets may become stranded if rapidly advancing low-carbon technologies render them obsolete. The costs associated with transitioning to renewable energy sources and sustainable materials could impact Kiilto's profitability if not strategically managed. Kiilto aims to reduce locked-in emissions by expanding the use of renewable energy in its production facilities, enhancing research and development to replace fossil-based raw materials with bio-based or recycled alternatives, and promoting product recyclability and material recovery at the end of its lifecycle. Kiilto has implemented a phased decarbonisation roadmap, incorporated milestone targets and aligning with international climate frameworks such as the Science Based Targets initiative (SBTi).

Emission reduction targets as part of business strategy and financial planning

Kiilto's emission reduction targets are core components of its overall strategy and financial planning. This includes prioritising the development of products with a lower environmental impact and focusing on raw materials with smaller CO₂ emission factors. These efforts align with the company's commitment to reducing Scope 3 emission intensity by 55% by 2031, compared to 2021 levels. Additionally, investing in renewable energy is one of Kiilto's strategic priorities, directly contributing to Scope 1 and 2 reduction targets.

These targets are also integrated into the company's financial planning, with an investment of €2.8 million allocated to reducing climate emissions in its own operations. Kiilto's financial planning includes long-term investments in sustainability-related projects. This includes the development of new technologies and processes that support the reduction targets.

Progress in implementing the transition plan

Near and Mid-term

- Commitment to reduce absolute scope 1 and 2 GHG emissions 90.0% by 2031 from the 2021 base year.**
 - Between 2021 and 2025, Kiilto achieved a 45% actual reduction in Scope 1 and 2 CO₂ intensity (kg CO₂e per kg product), compared to 2021 levels. This was accomplished by increasing the use of renewable energy and making energy efficiency investments at plants in Lempäälä, Hankasalmi, and Turku. Lempäälä plant utilises geothermal heat and waste heat from production processes, Hankasalmi plant has eliminated the use of fuel oil by adopting air-water heat and geothermal heating systems, and all plants generate part of their electricity locally through solar power installations.
 - For Scope 1 emissions, Kiilto achieved a 58% reduction in CO₂ intensity, compared to 2021 levels.
 - For Scope 2 market-based emissions, Kiilto's emissions increased 200 % in CO₂ intensity, compared to 2021 levels. This was due to a reduction in natural gas consumption in Lempäälä, which was replaced with purchased energy (especially district heat) in addition to self-produced energy.
- Commitment to reduce scope 3 GHG emissions 55.0% per tonne of products manufactured within the same timeframe.**
 - For Scope 3 emissions, Kiilto's emissions increased 11 % in CO₂ intensity compared to 2021 levels. At the same time, absolute emissions decreased, but intensity emissions are very dependent on the manufactured product portfolio.



Policies related to climate change mitigation

Kiilto's climate initiatives are guided by the company's climate targets outlined in the Promise to the Environment. These strategic goals provide the framework for climate actions across all Kiilto companies. The Climate targets are presented in the chapter "Transition plan for climate change mitigation". Kiilto Groups's Head of Sustainability and CEO are responsible for implementing the Energy and Climate initiatives. Kiilto's Promise to the Environment covers the whole value chain.

Sustainability matters addressed in the Climate change:

- Reducing carbon emissions across all operations and supply chains
- Improve energy efficiency and increase the use of renewable energy sources
- Enhance circular economy practices through sustainable materials and waste reduction
- Foster stakeholder collaboration to drive industry-wide climate action.

The progress of these objectives is measured and monitored systematically. The climate targets align with the GHG Protocol, which Kiilto follows to calculate its emissions annually. In addition to following the GHG Protocol, Kiilto adheres to the UN Sustainable Development Goals and is committed to the Science Based Targets initiative, as well as the Paris Agreement's objective of limiting global temperature rise to 1.5°C. Kiilto integrates climate considerations into multiple aspects of its operations. Through continuous improvements in logistics, product sustainability, and circular economy initiatives, Kiilto aims to support its long-term commitment to climate action. The Promise to the Environment and its targets have been established by cross-functional teams within Kiilto.

UN Sustainable Development Goals (SDGs)

The SDGs and Our Promise to the Environment go hand-in-hand. We at Kiilto identified the following SDGs as most critical to our operations:



SDG 7

We are committing to SDG 7 by substantially increasing our share in renewable energy.



SDG 9

We are committing to SDG 9 by engaging in innovations, scientific research, and development.



SDG 13

We are committed to SDG 13 by improving education and awareness-raising on climate change mitigation, adaptation, and impact reduction. Our work on waste reduction also has a direct impact on SDG 13.



SDG 12

We are committing to SDG 12 by substantially reducing waste generation through prevention, reduction, recycling, and reuse of materials.

In addition, we have recognised the following SDGs to be relevant for our processes:



Additionally, benchmarking has been conducted with various external stakeholders, including The Chemical Industry Federation of Finland.

Kiilto's Promise to the Environment initiative is available at Kiilto's website.

Actions and resources related to climate change

Kiilto has implemented key actions to address climate-related impacts, risks, and opportunities. Key actions include:

- During the reporting period, Kiilto's climate goals were validated by the Science Based Targets initiative. To meet these goals, Kiilto is committed to implementing further actions to reduce emissions. These actions include improving energy efficiency at production sites, further developing the energy portfolio, and transitioning raw materials, packaging, and logistics toward more sustainable alternatives. The emission reductions achieved during the reporting period are presented in the chapter Transition plan for climate change mitigation.
- Kiilto aims to collaborate with suppliers to increase the sustainability of raw material sourcing and optimising packaging and logistics to reduce transportation emissions.
- Kiilto aims to increase the number of environmentally certified products, such as those carrying the Nordic Swan Ecolabel. Kiilto also participates in industry-wide initiatives promoting sustainable practices and regulatory compliance.
- Kiilto provides sustainability training to employees, customers, and partners to drive climate awareness.

The scope of these actions includes Kiilto's production countries: Finland, Sweden, and Denmark. These actions are long-term and ongoing, aimed at achieving the goals set in the Promise to the Environment. Currently, Kiilto does not report the financial resources allocated to these actions.

Targets related to climate change

Kiilto has set emission reduction targets in accordance with the Greenhouse Gas Protocol and the Science Based Targets initiative, aligned with the 1.5°C global warming limit. For Kiilto, energy and fuel consumption in Scope 1 and 2 are the primary focus areas for emission reduction. Within Scope 3, the most relevant categories are purchased goods and services, as well as downstream logistics. Raw materials are the largest source of emissions within the purchased goods and services category. To manage Scope 3 emissions, Kiilto has set category-specific reduction targets. Additionally, it has established an overall reduction target for total Scope 3 indirect emissions. The targets related to climate change are presented in the chapter Transition plan for climate change mitigation.

Kiilto's base year for its targets is 2021. However, it has been monitoring its Scope 1 and 2 emissions since 2018, while Scope 3 emissions have not been fully tracked during that period. The progress is presented in the chapter Carbon footprint and emissions.

Energy consumption

Fuel consumption from (MWh)	2021	2022	2023	2024	2025
Coal and coal products	0	0	0	0	0
Crude oil and petroleum products	307	567	287	536	284
Natural gas	4 730	3 288	1 214	1 450	1 246
Other fossil sources	0	0	0	0	0
Purchased or acquired electricity, heat, steam and cooling from fossil sources	147	175	416	652	513
Total fossil energy consumption	5 184	4 030	1 917	2 638	1 483
Share of fossil sources in total (%)	25%	21%	10%	14%	11%
Total nuclear sources energy consumption	0	0	9 631	9 444	9 483
Share of nuclear sources in total (%)	0%	0%	53%	49%	51%
Renewable sources, including biomass	0	0	0	0	0
Renewable purchased or acquired electricity, heat, steam and cooling	14 971	15 029	5 664	5 753	5 680
Self-generated non-fuel renewable energy	3 496	3 679	4 852	4 494	3 654
Total purchased renewable energy consumption	14 971	15 029	6 778	7 204	5 680
Share of renewable sources in total (%)	75%	79%	37%	37%	31%
Total energy consumption	20 094	19 059	18 326	19 288	18 439

Methodology to calculate energy consumption

Energy consumption figures are obtained from the energy provider's data sources or local systems (e.g., building automation systems). Primary data is provided either in MWh or GJ. If in MWh, the figures are converted to GJ using a factor of 3.6. Kiilto aims to collect data from primary sources, but when unavailable, assumptions have been used. Only production sites and countries are included in the energy consumption calculation. No external third-party assurance has been performed to the energy consumption calculations. The purchased or acquired electricity, heat, steam, and cooling from fossil sources include district heating from the Lempäälä and Forssa plants, which are sourced from non-renewable or carbon-free sources.

Carbon footprint and emissions

Scope 1	2021	2022	2023	2024	2025
Total Scope 1 emissions (tCO ₂ eq)	1 789	1 675	1 040	999	807
% of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	0%	0%
Scope 2					
Location-based (tCO ₂ eq)	1 161	1 052	769	680	566
Market-based (tCO ₂ eq)	46	100	118	154	127
Scope 3					
Total Scope 3 emissions (tCO ₂ eq)	92 242	75 782	65 339	70 821	77 234
Scope 3 Intensity kg CO ₂ e/produced tonne	519,6	481,0	487,4	472,4	577,5
Purchased goods and services	83 836	68 631	59 164	63 451	70 587
Fuel and energy related activity	1 107	812	526	458	361
Upstream transportation	3 857	3 354	3 015	4 213	3 240
Waste generated in operations	309	377	381	474	634
Business travel	1 012	760	646	590	498
Employee commuting	246	363	353	352	339
Downstream transportation	838	642	492	551	668
Use of sold products	150	91	70	53	41
End of life treatment of sold products	649	498	438	421	599
Joint Venture investments	237	254	255	255	266

Methodology to calculate emissions

During the SBTi validation process, Kiilto reviewed and refined its emissions calculation methodology. Updates were made to the calculation of Scope 2 location-based emissions and Scope 3 emissions, including the addition of new Scope 3 categories in line with SBTi methodology requirements. The calculation methodology and underlying figures were reviewed and recalculated for both previous reporting years and 2025. As a result, the reported location-based figures as well as Scope 3 figures have been comprehensively revised compared to the previous reporting period.

The emissions are calculated by using the methodology provided by the Greenhouse Gas Protocol. The carbon footprint calculation encompasses Scope 1, Scope 2, and Scope 3 emissions, utilising activity data from operations and the supply chain combined with recognised international emission factors.

For Scope 1 and Scope 2 emissions, Kiilto relies on direct activity data from energy consumption, including fuel use and purchased electricity. Emission factors are sourced from national energy authorities and international standards, such as the IPCC Guidelines for National Greenhouse Gas Inventories, to ensure accuracy and geographical relevance.

Scope 3 emissions are estimated using a combination of primary data from suppliers and industry-average emission factors where direct data is unavailable. The company employs economic input-output models and lifecycle assessment (LCA) data to approximate emissions from raw material procurement, transportation, and waste treatment. The ecoinvent database serves as a primary source for emission factors in the Scope 3 calculations, offering scientifically robust and regionally relevant data. In cases

where specific data is lacking, Kiilto applies conservative assumptions to avoid underestimating emissions. The estimation of Scope 3 emissions is based on a combination of primary data from suppliers and operational activities, along with secondary data from industry databases and emission factors. Priority is given to activity-based data where available, with spend-based data applied in cases where detailed activity data is not accessible.

Kiilto has excluded several Scope 3 categories from its emission calculations due to their immateriality or negligible contribution to the company's overall carbon footprint. The excluded categories include capital goods, as they represent only a minor share of the company's total emissions. Upstream leased assets are excluded as they are not materially relevant to Kiilto's operations.

Additionally, emissions from the processing of sold products are excluded, as Kiilto's products are not typically subject to further processing that would generate significant emissions.

Kiilto does not have downstream leased assets or operate under a franchise model, rendering these categories not applicable.

The exclusion of these categories is consistent with the principle of relevance under the Greenhouse Gas Protocol, which encourages the prioritisation of significant emission sources, those that influence business decisions, or those of interest to stakeholders. Kiilto regularly reviews its Scope 3 emissions boundaries to ensure that all material emission sources are identified and accounted for, demonstrating the company's commitment to enhancing transparency and comprehensiveness as data availability and methodologies evolve.

The emission figures are not assured by a third party. There are no significant changes in circumstances related to emissions compared to previous reporting periods. Biogenic emissions are not included in the calculations.

Greenhouse gas removals and mitigation projects and international carbon pricing

Kiilto does not report greenhouse gas removals or mitigation projects financed through carbon credits, as no such projects are currently in place. Additionally, Kiilto does not apply internal carbon pricing schemes.

Pollution

Policies related to pollution

Kiilto is committed to reducing its negative impacts throughout its whole value chain. This commitment follows Kiilto's strategy, Code of Conduct, and other policies, including the Integrated Management System. Key aspects include minimising harmful releases into air, reducing resource consumption and waste generation, and ensuring consistent product quality. Kiilto's Environmental Policy aligns with the Kiilto Partnership Code of Conduct and other internal policies, such as the Chemical Policy.

Kiilto's initiatives related to pollution are guided by the company's Chemical Policy. It includes targets related to emissions to air, microplastics, and substances of concern and substances of very high concern. In addition to the Chemical Policy, Kiilto has a CMR (carcinogenic, mutagenic, reprotoxic) and toxic substances policy in place.

The CMR and toxic substances policy's purpose is to bring safe products to the market and ensure that all mixtures supplied by Kiilto are developed and manufactured in compliance with legal and internal guidelines. The policy is a combination of avoidance and substitution of CMR and toxic-labelled substances, as well as endocrine-disrupting, PBT/vPvB (Persistent Bioaccumulative and Toxic/very Persistent very Bioaccumulative/) and PMT/vPvM (Persistent Mobile Toxic/ very Persistent very Mobile) substances and comes on top of the legal obligations connected with the use of such chemical substances.

In addition to these policies, Kiilto has a mitigation hierarchy in use in chemicals that are classified as harmful:

- Avoidance: Kiilto aims to avoid adopting newly classified

substances. Kiilto has an evaluation process in place before any substances are approved for ordering. The use of SVHC (Substances of Very High Concern) substances is prohibited. If a substance receives a new classification that designates it as an SVHC, a replacement project will be initiated immediately.

- Reduction: Kiilto aims to reduce the amount of raw materials classified as harmful and seeks to replace chemicals with less harmful alternatives whenever possible.
- Control: For harmful chemicals used in manufacturing, Kiilto monitors airborne concentrations and ensures that workers' health is regularly assessed through occupational healthcare.
- Remediation: The wastewater treatment plant works to mitigate microplastic migration into municipal drainage systems.

Actions and resources in relation to pollution

During the reporting period, Kiilto did not implement specific action plans related to pollution. However, ongoing measures to prevent pollution include:

- Integrated Management System: Kiilto maintains a certified Integrated Management System, which includes site-level standards and procedures to ensure compliance with permit and regulatory requirements. Key environmental protection measures include spill prevention, process safety, and maintenance standards. All incidents affecting air, water, and soil are documented in the company's incident reporting system. No such incidents occurred during the reporting period.
- Regulatory compliance: Kiilto's sites comply with environmental permits and pollution control measures

reported through municipal programs, covering air emissions and onsite wastewater treatment. Internal and external audits assess compliance with ISO 9001, ISO 14001, and ISO 45001 standards. Additionally, third-party EHS legal compliance audits are conducted annually, with verification integrated into environmental performance reporting.

- Emergency preparedness: Kiilto follows precautionary principles and has processes to identify, prevent, and mitigate negative environmental impacts during emergencies. Emergency response and crisis management measures focus on containing incidents and minimising risks to employees and surrounding communities. Kiilto's Emergency Planning and Preparedness standard ensures adequate response capabilities.
- Workplace safety training: Kiilto continues its safety training programs, with a focus on chemical handling and risk mitigation.
- Substance monitoring: Kiilto actively tracks raw materials, intermediates, and process chemicals for substances of concern (SoC) and substances of very high concern (SVHC) as part of its priority substance management process. Risk assessments and action plans are being developed for these substances.
- Microplastics: Kiilto aims to comply with legal requirements for identifying and labelling microplastics by 2025. As regulations are not yet in effect, comprehensive data on raw materials and products classified as microplastics is not available. Currently, only confirmed sources of microplastics are reported. Kiilto is improving data collection and will fulfil ECHA reporting obligations once they take effect. Kiilto had no significant operational (OpEx) or capital (CapEx) expenditures related to pollution prevention during the reporting period.

Targets related to pollution

The Chemicals Policy includes high-level targets related to pollution. However, Kiilto has not yet established any specific, numerical pollution-related targets beyond those outlined in the Chemicals Policy and those required by environmental permits, which regulate dust emissions. Kiilto aims to set additional pollution reduction targets in the future.

Metrics related to pollution

Pollution to air

Kiilto measures volatile organic compounds (VOCs) released into the air at each production plant. During the reporting period, total VOC emissions amounted to 2,216 units. Dust (dry mix) is also measured per plant, with a total of 0,0633 tonnes recorded during the same period. Kiilto has not identified any pollution from its operations affecting water or soil.

Microplastics

During the reporting year 2025, Kiilto handled approximately 717 tonnes of polymer based materials. Based on product composition and regulatory definitions, 200 tonnes of these materials qualify as microplastics contained in products placed on the market.

Kiilto recognises the environmental concerns associated with microplastics and is actively working to understand and mitigate their impact. Kiilto's efforts include mapping microplastic flows across the value chain, identifying substitution opportunities, and preparing for compliance with upcoming EU microplastic regulations. The significantly higher microplastic amounts compared to 2024 are mainly due to increased awareness and a better understanding of the legal definition among suppliers.

Substances of high concern and very high concern

SVHC substances are identified in accordance with the EU REACH Regulation and are added to the Candidate List for Authorization by ECHA. One material used in Kiilto's products contains a listed substance, and in 2025, the total amount of SVHC substances entering the company was 74 kg, while 132 kg left the facilities. The amounts have slightly decreased compared to 2024. Substances of concern (SoCs) figures for 2025 have not changed significantly from the previous year due to small changes in the product manufacturing portfolio and in production volume fluctuations.

Methodology to calculate pollution-related metrics

Kiilto's pollution data for air is limited to manufacturing sites with environmental permits. Excluded operations

include offices, sales offices, and warehouses. Pollution-related metrics are not assured by an external party.

The data on microplastics, SVHC, and SoC substances is sourced from the ERP system. Dust pollution is measured in the air using equipment and by a third party, while VOC emissions to air are calculated using a specific method. Emission levels are consistent with those of 2023. Kiilto did not have any non-compliance incidents or enforcement actions related to breaches of permit conditions.

**Figures related to Danish operations are not included in these calculations.*

Substances of concern (tons)	Health hazard class 2024	Environmental hazard class 2024	Health hazard class 2025	Environmental hazard class 2025
CMR classes	736	-	869	-
STOT SE, RE and Sensitizers classes	1 247	-	1 545	-
Aquatic classes		1 012		1 559
The total amount of SoC that is generated, used during production, or procured	1 983	1 012	2 413	1 559
CMR classes*	1 162	-	1 084	-
STOT SE, RE and Sensitizers classes*	273	-	103	-
Aquatic classes*		1 240		1 511
The total amount of SoC that leaves the facilities as products or as part of products*	1 435	1 240	1 186	1 511

Circular economy and regenerative development

Kiilto advances the circular economy by strengthening material efficiency, reducing emissions, and supporting biodiversity across its operations. Kiilto continuously seeks new ways to utilise industrial side streams, increase the reuse of packaging materials, and develop solutions that enable longer product lifecycles. Development efforts focus on four key areas: sustainable building materials, solutions that support construction circularity, digital and sustainable building processes, and promoting healthy living and environmentally friendly maintenance.

A key initiative in this work is Kiilto's investment in Debonding on Demand (DoD), a breakthrough adhesive technology that enables bonded materials to be separated without damage and reused in future applications. While DoD supports circularity on construction sites by allowing tiles, panels, flooring, and other surfaces to be removed cleanly, its benefits extend far beyond the building sector. Pilots in furniture manufacturing and textile based products show how DoD enables the disassembly of complex structures—such as upholstered components, bonded seams, and multi material assemblies—facilitating repair, refurbishment, and material recycling. Similar advantages apply in shipbuilding and modular interiors, where easy separation of bonded layers reduces waste and extends product lifetimes. Kiilto will continue advancing DoD research and practical applications in the coming years.

Building on its circular economy foundation, Kiilto is transitioning toward a regenerative business model that actively

improves environmental well being. As part of its Promise to the Environment Kiilto explores solutions that go beyond minimising harm, including carbon sequestering materials and biobased components that enhance soil health and biodiversity. By reducing environmental footprints, replacing harmful chemicals with nature based alternatives, and collaborating across industries, Kiilto aims to create long term value for both society and ecosystems.

Kiilto also introduced a new generation of textile care products designed to improve washing performance while reducing negative environmental impact. The range uses advanced enzyme technologies and lignin renewable biopolymer sourced from wood industry side streams, to enhance stain removal and support circular economy principles. Environmental sustainability guided the entire development process: powder detergents now use 100% post consumer recycled plastic pails, while liquid detergents are packaged in canisters containing 35% recycled HDPE, including material from Kiilto's own closed loop recycling pilot. Many products carry the Nordic Swan Ecolabel and the Allergy Label, demonstrating compliance with strict environmental and user safety criteria.

Kiilto continues to expand circular solutions by increasing the use of biobased raw materials, reducing dependence on non renewable resources, and lowering the carbon footprint through waste reduction. Kiilto aimed for 70%

of its packaging materials to be reusable, renewable, or recycled by 2025. The company nearly achieved this target, reaching 67.2%.

Kiilto also supports the advancement of circularity knowledge as a donor to the endowed professorship in circular economy at the University of Turku.



Biodiversity impacts

In 2025, Kiilto continued to advance its Promise to the Environment by strengthening its actions to protect biodiversity and by developing a clearer understanding of how CO₂ emissions—particularly those arising from raw materials in Scope 3—offer significant opportunities to reduce the company’s overall climate impact. These efforts further reinforce Kiilto’s commitment to nature-positive development.

A key focus in 2025 was developing Kiilto’s raw-materials CO₂ emissions roadmap for construction products and industrial adhesives. This roadmap provides a structured pathway for reducing upstream climate impacts by identifying high-emission raw materials, evaluating low-carbon alternatives, and setting reduction trajectories aligned with Kiilto’s long-term climate targets. The roadmap guides product development, procurement decisions, and supplier engagement, ensuring that emissions reductions are embedded into the core of Kiilto’s portfolio transformation. This work also supports customers in meeting their own decarbonisation goals by increasing transparency and enabling more climate-efficient material choices.

Kiilto’s Debonding on Demand solution remains a key innovation in circularity. The heat-based debonding technology enables controlled disassembly and reuse of materials, supporting the transition toward circular construction and reducing the need for virgin raw materials—an important lever in both CO₂ and biodiversity impact reduction.

Throughout 2025, Kiilto continued to engage suppliers and customers to increase awareness of biodiversity impacts. Understanding of biodiversity within the chemical industry is still developing, and Kiilto plays an active role in promoting improved practices through sustainable raw materials, environmental innovations, recycled or bio-based packaging, and customer training. Growing customer demand for environmentally responsible solutions creates opportunities for Kiilto to develop products that require fewer natural resources and support circularity. These opportunities are embedded in Kiilto’s current strategy and are closely linked to the CO₂ roadmap work, which highlights the importance of material efficiency and low-impact alternatives.

Kiilto follows the development of the Science Based Targets for Nature framework to strengthen its biodiversity measurement tools. The company also participates in the Biodiversity Working Group of the The Chemical Industry Federation and continues to expand its LCA and EPD calculations to cover a broader range of environmental impact categories. Integrating CO₂ and biodiversity insights into product-level assessments enables Kiilto to make more holistic decisions and support customers with transparent, data-driven sustainability information.



Waste

The most significant actual or potential waste streams with-in operations are associated with the consumption of raw materials, packaging materials, and semi finished products. Raw materials are procured according to production plans and forecasted consumption levels.

In chemical manufacturing, the majority of raw materials are classified as hazardous substances. Nearly all purchased materials are used directly in production, resulting in minimal raw material waste. Waste may occur only when stored materials expire or become obsolete due to changes in formulations, regulatory classifications, or product requirements. In such cases, the resulting waste is typically hazardous due to the nature of the raw material portfolio. Recycling rates for packaging materials remain high. Most packaging consists of plastic, cardboard, or metal, and is directed to recycling whenever possible. Packaging is diverted from recycling only when contamination—such as chemical leakage or moisture—compromises its purity. In these instances, the material is treated as energy waste. Bulk deliveries are used for high volume raw materials, eliminating packaging waste entirely. Intermediate bulk containers (IBCs), barrels, and pallets are washed, reused, or otherwise circulated within the supply chain.

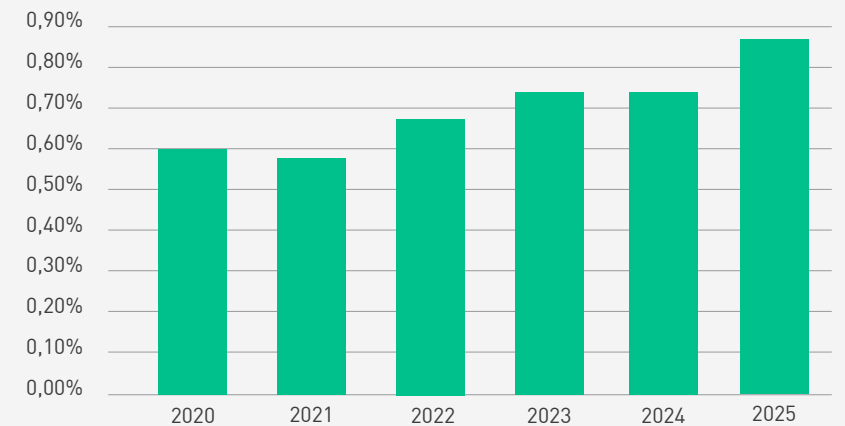
Semi finished products in chemical processes are often classified as hazardous due to factors such as corrosive substance concentrations. Off specification semi finished products represent a potential waste stream, typically arising from deviations in the mixing process. In most cases, these materials can be reworked or utilised without compromising product quality or safety. When this is not possible, the material is handled as hazardous waste.

All waste generated by Kiilto is managed by specialised waste management partners authorised to collect and process the relevant waste categories. Waste volumes are monitored through monthly reports and invoices provided by these service providers, ensuring traceability and compliance with regulatory requirements.

In 2025, waste intensity increased due to the disposal of product batches affected by raw material purity issues, as well as the removal of obsolete batches from warehouse inventory.

Waste intensity

Waste kg / sold kg



Product end-of-life handling

The Ecodesign for Sustainable Products Regulation (ESPR) establishes a framework to improve the environmental performance of products placed on the EU market. Among its obligations, companies must ensure transparency regarding the end of life handling of products, including cases where products are destroyed instead of reused, repaired, or recycled.

Under ESPR, economic operators may report to:

- Document the reason for the destruction of consumer products
- Quantify the volume and categories of products destroyed
- Report on waste handling methods, such as recycling, energy recovery, or landfill
- Demonstrate efforts to avoid unnecessary destruction, especially for unsold or returned goods.

The data provided in this report reflects the Kiilto's handling of destroyed consumer products during 2025 and is prepared in accordance with the principles and obligations of the ESPR. All destruction activities were carried out in compliance with applicable EU and national waste management legislation.

We are committed to planning our production volumes carefully so that products do not expire in our warehouse. By continuously monitoring shelf-life dates and inventory levels, we ensure that materials are used efficiently and unnecessary waste is avoided. In addition, we actively work to recycle materials whenever possible without compromising the high quality of our products. Our goal is to reduce environmental impact while maintaining the standards our customers rely on.

Location	Kg	Reason	Treatment	CN code
Lempäälä	10981	Out of stock	Landfilling	3214
Lempäälä	575	Out of stock	Energy recovery at an incineration plant	3214
Lempäälä	549	Out of stock	Energy recovery at an incineration plant	3506
Lempäälä	80	Out of stock	Energy recovery at an incineration plant	3907
Lempäälä	70	Out of stock	Energy recovery at an incineration plant	3909
Turku	3251	Out of stock	Energy recovery at an incineration plant	3402
Hallstahammar	1155	Out of stock	Landfilling	3824
The total amount of SoC that leaves the facilities as products or as part of products*	1 435	1 240	1186	1511

Water consumption

The most significant water related impacts at Kiilto are assessed through overall water consumption. Water is used at Kiilto sites for several purposes, ranging from highly efficient to others requiring larger volumes, such as activities related to washing and cooling. Differences in consumption between factory locations result from varying product portfolios and manufacturing methods. The largest contrast is between dry mix plants and chemical plants: dry mix production uses virtually no water, while chemical production requires water for products, equipment cleaning, and cooling.

Kiilto relies exclusively on third party municipal water for production, maintenance, cooling, and sanitation. All wastewater is directed to municipal treatment facilities. Rainwater from roofs and outdoor areas is discharged into the surrounding terrain. No water is released directly from production or other processes.

Process water ultimately becomes wastewater and is routed through communal sewers to municipal treatment plants, where it is handled according to local treatment requirements and environmental regulations. This ensures that wastewater related water stress is controlled.

At the Lempäälä plant, wastewater undergoes mechanical pre treatment before being discharged into the municipal sewer. The industrial wastewater agreement and environmental permit specify limits for volume, pH, aromatic compounds, and solids. At the Turku plant, process water is sent directly to the municipal treatment plant, with pH adjusted to meet its specifications. At the Hankasalmi plant, wastewater is collected in a sealed well and transported by truck.

Environmental permits in Turku and Hankasalmi require compliance with municipal wastewater specifications, including pH limits. Additionally, certain compounds listed in Regulation 1022/2006 must not be discharged into municipal sewer systems.

Process water has been identified as Kiilto's most significant water consumption source, based on measured volumes. Its use is many times higher than domestic water (drinking, hygiene, toilets). For this reason, Kiilto added a process water reduction target to its Promise to the Environment, aiming to reduce process water use per tonne of product by 20% from 2021 levels. The increase is primarily explained by a higher need for cleaning and by changes in the production portfolio. When production involves short product runs with frequent changes, the mixing vessels must be cleaned more often. In contrast, longer production runs require significantly fewer cleaning cycles, resulting in lower water use.

Water stress remains low in all countries where Kiilto operates. At the Lempäälä plant, 75% of water used is surface water from Lake Roine, treated at the Rusko water treatment plant; the remainder is groundwater. The Turku plant uses artificial groundwater originating from the Kokemäenjoki River. Hankasalmi uses local groundwater from municipal intake plants. Water consumption data are collected from water bills and on site meters.

In 2025 wastewater intensity was at same level and even decreased in Turku and Assens site due to longer production runs, requiring fewer washes.



Water consumption in operations

Location	Municipal water consumption (m3)		Wastewater (m3)		Manufactured (tn)		Wastewater intensity (m3/tn prod.)	
	2024	2025	2024	2025	2024	2025	2024	2025
Hankasalmi Turku	29770	28663	19766	18449	18997	19552	1,04	0,94
Lempäälä Forssa	14164	14864	10500	10800	60369	60645	0,17	0,18
Assens	5881	6452	4255	3700	3281	6967	1,3	0,53
Örnsköldsvik Hallstahammar	233	230	233	230	67265	54682	0,003	0,004

Our Promise to People

Building a high-performing, safe, and encouraging work community, guided by cultural cornerstones, is one of Kiilto's strategic priorities.

Our Commitments

An Inspiring Working Environment

Our operating environment changes faster than ever. Demands related to technology, sustainability, customer needs, and regulation are growing, both challenging us and creating opportunities. Ensuring a future-proof organisation also places demand on Kiilto as a workplace.

Building a high-performing, safe, and encouraging work community, guided by cultural cornerstones, is one of Kiilto's strategic priorities. Kiilto provides opportunities for continuous personal development to over 700 Kiiltonians across nine countries.

In 2025, Kiilto took a big step towards unifying processes and operating as One Kiilto. The change will be gradual, but the formation of the new organisation began in the last quarter of 2025. In practice, this is primarily an internal change in how Kiilto organises work, all aimed at strengthening the value delivered to customers.

Kiilto encourages taking ownership and using the opportunity to make a difference. Inspired, committed, competent, and motivated personnel are the key factor to profitable growth. The expertise of Kiiltonians is essential to guiding customers and entire markets toward a more sustainable future.

Being able to deliver requires continuous learning, development, collaboration, and focus. We need ambition and a commitment to continuity. Responsibility for quality, environment, and safety extends to both internal and

external operating environments, including personnel and stakeholders. Kiilto's Promise to People brings these efforts together to strengthen social responsibility.

Kiilto's Promise to People consists of three work streams, of which two concern Kiiltonians: The health, safety, and security workstream and the inspiration and competence workstream aim to develop Kiilto as a workplace and ensure it remains an attractive employer. Human rights in the value chain work stream builds Kiilto's social responsibility in both upstream and downstream operations. All workstreams have clear targets set to support the strategy and taking into account the maturity level of the organisation. The targets are:

Health, safety and security

- Zero suspected occupational diseases.
- Zero accidents.
- Zero security incidents.

Inspiration and Competence

- Our employee engagement at least on level AA.
- We ensure the future-proof competence that serves Kiiltonians, customers and the industry.
- All encounters during the employee journey support excellent employee experience.

Human Rights in the Value Chain

- We will define the human rights roadmap based on a third-party assessment.
- We increase the internal awareness on human rights in the value chain and foster lasting commitment.
- We continuously improve and expand supplier screening.



Our Promise to People



HEALTH, SAFETY AND SECURITY

We increase health, safety and security within our value chain.

Actions

- Zero suspected occupational diseases.
- Zero accidents.
- Zero security incidents.



INSPIRATION AND COMPETENCE

We foster culture where people feel valued and support curiosity for continuous learning.

Actions

- Our employee engagement at least on level AA.
- We ensure the future-proof competence that serves Kiiltoonians, customers and the industry.
- All encounters during the employee journey support excellent employee experience.



HUMAN RIGHTS IN THE VALUE CHAIN

We increase the transparency in complying with Human Rights principles and build a responsible supply chain together with our suppliers.

Actions

- We will define the human rights roadmap based on a third-party assessment.
- We increase the internal awareness on human rights in the value chain and foster lasting commitment.
- We continuously improve and expand supplier screening.

Employees

Commitments and policies related to employees

Kiilto adheres to multiple ethical standards related to its employees. Its operating policy is based on international human rights standards, including the Universal Declaration of Human Rights, the UN Global Compact principles, OECD guidelines, the UN Convention on the Rights of the Child, and ILO core conventions.

In addition to its operating policy, Kiilto has health and safety-related policies in place to ensure a safe working environment for all employees. In addition, Kiilto has a wellbeing program, Kiilto Cares, to support employee wellbeing. The program's purpose is to prioritise employee wellbeing as a key factor in driving sustainable and profitable business. The program outlines Kiilto's approach to wellbeing, focusing on mental, social, and physical health, and it includes objectives and actions for each area.

Kiilto has a workplace risk assessment workbook, which serves as an accident prevention system. This workbook was developed by the Ministry of Social Affairs and Health in collaboration with the Center for Occupational Safety. As a part of its commitment to Responsible Care – a voluntary sustainability initiative in the chemical industry – Kiilto is working toward a zero-incident target. Kiilto is also a smoke-free company.

Kiilto has a human rights policy in place that outlines key commitments for its workforce, ensuring operations are conducted in a safe, ethical, and responsible manner, aligned with global human rights standards. These com-

mitments include maintaining a safe working environment, implementing processes to identify and manage human rights risks, providing regular training, ensuring transparent stakeholder dialogue, and supporting continuous improvement. During the reporting year, Kiilto developed its human rights due diligence process further to identify and manage human rights risks related to its operations, aiming to prevent potential adverse impacts.

Kiilto has established guidelines to prevent harassment and inappropriate treatment at the workplace. Kiilto also has a specific anti-slavery policy, which outlines the adoption of a zero-tolerance policy towards forced labour and human trafficking, including responsible recruitment standards. To ensure employees understand and implement its guidelines and policies, Kiilto provides regular training programs. Additionally, Kiilto facilitates ongoing communication with Kiiltonians to manage human rights-related risks.

All company policies are presented to and approved by the Board of Directors, with each country's CEO responsible for their implementation and enforcement. All company policies are presented in Kiilto's intranet.



Engagement with employees

Kiilto's collective agreement in Finland ensures compliance with labour rights and facilitates effective communication with employees. While Kiilto does not have a Global Framework Agreement (GFA), it adheres to national labour standards and collaborates with workers' representatives to uphold employee rights and welfare.

In Finland, Kiilto operates under a legally binding collective agreement negotiated with workers' representatives or with employee and employer unions. This agreement ensures compliance with Finnish labour laws and provides a structured framework for employee rights and workplace conditions. Through this agreement, the company maintains open communication with its Finnish workforce. Regular meetings with personnel representatives are held.

Kiilto's annual People Power employee survey acts as an important tool for generating an understanding of employee experience and engagement at Kiilto. The survey includes themes such as leadership, performance, commitment, diversity, equity, and inclusion. The survey provides valuable insights and guides the necessary actions based on the results. Each team discusses the results and establishes its own action plans accordingly.

The Employee Net Promoter Score (eNPS) acts as a tool to assess employees' willingness to recommend Kiilto as a workplace. eNPS is conducted once a year in the employee survey, and in addition it is followed throughout the year by conducting pulse-surveys. eNPS are conducted in Kiilto Clean Group Oy, Kiilto Oy, and Kiilto Family Oy. At Kiilto Oy and Kiilto Family Oy, eNPS is measured four times a year and in Kiilto Clean Group Oy, eNPS is measured three times a year.

To support personal development and to maintain continuous dialogue between Kiiltoonians and Kiilto, annual performance discussions (GO discussions) and learning and development discussions (LeD discussions) are conducted. These discussions aim to align goals and competence development activities with Kiilto's strategic objectives, identify competence gaps, and reinforce an open conversation culture. Kiiltoonians are encouraged to prepare individual development plans and take a proactive role in their career path development. The objectives of these discussions include:

- Align goals and competence development activities with strategic objectives.
- Support a culture where everyone can make a difference through inspirational task-based goals and active competence development.
- Identify learning or competence gaps and plan short and long-term actions to facilitate professional growth.

In addition to the GO and LeD discussions, supervisors are encouraged to hold one-to-one discussions with each team member throughout the year. The frequency of these one-to-one discussions is determined by individual needs and the supervisor's assessment of the level of support required.



Channels to raise concerns

Kiilto is committed to addressing and remediating negative impacts on its employees, other individuals, the company, society or the environment. We have a structured process to ensure all reports of misconduct or suspected non-compliance are handled appropriately and that corrective actions are taken. Kiilto has reporting mechanisms in place, allowing everybody to report misconduct anonymously and confidentially through a whistleblowing channel. Employees may also directly contact the top management, Head of Legal, or external authorities, such as the Chancellor of Justice in Finland. Reports can cover violations of safety regulations, discrimination, harassment, corruption, environmental crimes, privacy breaches, and other concerns.

Confidential handling of reports is ensured. The whistleblowing service is operated by Navex WhistleB, an independent provider, which guarantees anonymity. Access to reports is restricted to a limited number of authorised individuals, whose actions within the system are logged to maintain transparency and confidentiality throughout the process.

The reporting process consists of several stages. Upon receiving a report, the whistleblowing team conducts an initial review to determine whether to start an investigation or not. If an investigation is launched, additional experts are used if needed. The investigation aims to gather all relevant information while ensuring confidentiality. Every step and all findings are documented to maintain transparency and accountability.

If misconduct is found to have happened, corrective measures are implemented. These may include disciplinary actions, policy revisions, training programs, or other interventions to address the issue and prevent recurrence. The outcomes of the investigation and the remedial actions taken are communicated to relevant stakeholders.

Kiilto continuously monitors the implementation of corrective actions to assess their effectiveness. Feedback from affected parties is actively sought to evaluate the impact of these measures and make further improvements where necessary. Regular surveys and feedback sessions are conducted with stakeholders to gather their input on the effectiveness of the whistleblowing channels. This feedback helps to identify areas for improvement and ensures that the channels meet the needs of the intended use.

To ensure accessibility, Kiilto's whistleblowing channel is available 24/7. The platform offers multiple language options for ease of use. Employees also have the option to directly contact their supervisors and the top management, HR and legal function, shop stewards, and safety ombudsman, providing an alternative for those who prefer to report concerns in person. Regular training sessions are conducted to educate employees on the whistleblowing channel, how to use it, and the importance of reporting suspected misconduct. Additionally, periodic awareness campaigns are run to remind employees of the channel's availability and encourage its use. In 2025, 6 incidents were reported through the whistleblowing channel. During the reporting period, Kiilto implemented updated training to increase awareness of the channel and its proper use.



Actions and resources related to employees

Kiilto has implemented key actions to address employee-related impacts, risks, and opportunities. These actions focused on competence development, enhancing mental, social, and physical wellbeing, and maintaining a low level of sick leave absences.

Competence development

At Kiilto, most learning occurs organically through collaboration, learning from others, participating in projects, and employees contributing to their career paths. Kiilto utilises the 70-20-10 model, where 70% of competence development occurs through doing, 20% through learning from others, and 10% through training.

To support Kiiltonians in their professional development at various career stages, Kiilto offers a range of learning and development programmes:

- **Kiilto Explorer:** An international development programme for supervisors and specialists, aimed at developing leadership skills and competencies and enabling change and growth in Kiilto's culture. The programme is developed in partnership with Hanken and SSE Executive Education.
- **Regular Training Programmes:** Kiilto organises regular HSEQ training for its personnel, including Occupational Safety Card, MD training, logistics-related training, Chemical safety, Food safety, Good Manufacturing Practice

(GMP), and quality training. Environmental leadership is reinforced through internal events, information sessions, and onboarding, with environmental training provided to all personnel groups.

- **Online Training Platforms:** Kiilto Learns offers training related to Code of Conduct, Information Security, Our Promise to the Environment, and Whistleblowing. Additionally, every Kiiltonian has access to Eduhouse online training service, providing online courses and webinars on various subjects. Regular online training on digital skills, information security, and AI tools is also conducted.
- **Language Learning Programmes:** To improve cross-border communication and interaction, Kiilto offers virtual English language learning programs and tailored virtual Swedish, Danish, or Finnish language courses. In 2025, in addition to ongoing language courses, 8 new groups of Kiiltonians started learning English, and one group of Kiiltonians started a Swedish course. In total, 26 Kiiltonians participated in language learning programmes during the reporting period.
- **Internal and External Training and Professional Development:** In addition, both internal and external occupational and personnel-group-specific training is provided based on the competence development needs jointly assessed by the supervisor and the employee; for example, vocational qualifications, occupational

safety training (including training that meets regulatory requirements), wellbeing training, ICT training, and participation in other training that maintains and enhances professional competence (e.g., courses, training and coaching days, conferences, seminars, trade fairs).

Kiilto's wellbeing activities are guided by the international wellbeing programme Kiilto Cares including mental, social and physical wellbeing focus areas. The holistic wellbeing programme aims to create and lead an excellent employee experience. We want to provide our personnel with a responsible work community and working environment where employees feel well and are committed to Kiilto's success.

Focus areas for mental wellbeing in 2025

- Process harmonization and ERP project: focusing on change management and communication.
- Linking the new strategy with the work and competence requirements of Kiiltonians.
- Continuing the DEI work, e.g., based on the DEI survey results.
- Continuing the international leaders' community.
- Implementing leadership principles.

Focus areas for social wellbeing in 2025

- Creating preboarding materials and implementing Teams sessions for new employees.

- Activating culture discussions in Teams. Examples of these are presented in the What's Up Kiiltos.
- Organizing local social activities in our work communities, in which every Kiiltonian has an active role.

Focus areas for physical wellbeing in 2025

- Providing and developing versatile exercising activities for Kiiltonians.
- Activating and supporting break exercising practices and sharing of good practices.
- Organizing international campaigns to activate personnel's physical activity.
- In addition to Group-wide activities, various local initiatives and actions have been implemented across different locations to promote employee wellbeing.

Sick leave absence levels

Maintaining low levels of sick leave and keeping track of absences can help ensure productivity and minimise operational disruptions. It also reduces costs associated with temporary staffing and lost workdays. At Kiilto, it is believed that a healthy workforce boosts morale and fosters a positive work environment, thereby enhancing overall employee satisfaction.

Several processes and methods have been implemented to prevent the risk of long-term disability and to reduce sick leave, including:

- Enhanced occupational health monitoring for employees over the age of 45, conducted every three years
- An early intervention model
- Active monitoring of sick leave and the initiation of necessary actions
- Work arrangements that support functional capacity
- A model for lighter or substitute work
- Occupational health care that exceeds statutory requirements
- Muscle fitness tests conducted during employee entry and health examinations
- Promotion of physical activity during the workday, such as break exercise sessions
- Support for self-care through small group coaching and wellness activities.



Targets related to employees

In addition to Our Promise to People targets presented in the chapter Our Commitments, Kiilto has set several targets related to employees' wellbeing in the Kiilto Cares Wellbeing Programme. The targets are measured by KPI's listed on the right.

The sick leave absences and accidents at work are tracked locally, and therefore regarding 2025 we are reporting only numbers which were reported to Group HR.

In addition to wellbeing targets Kiilto has set targets for Kiiltoians regarding performance and professional development learning and development discussions. Regarding the annual performance and development discussions (GO discussions) and learning and development discussions (LeD discussions) Kiilto has set a target of 100 % with completed discussions. GO and LeD discussions for the 2025 period are taking place in spring 2026. As the discussions are still ongoing and the discussion process was revised during the reporting period, the results are not yet finalised or available for reporting.

KPI	Target	Result 2025
Employee Survey result (People Power Index)	Minimum AA+	AA+ (2024: AA)
Accidents at work	Zero	Kiilto Oy, Finland: 3 (2024: 3) KiiltoClean Oy, Finland: 5 (2024: 2) KiiltoClean A/S, Denmark: 0 (2024: 3)
Sick absence rate	Less than 3%	Kiilto Oy, Finland: 4% (2024: 3,9%) KiiltoClean Oy, Finland: 3,7% (2024: 3,8%) Kiilto Family Oy, Finland: 0,3% (2024: 1%) KiiltoClean A/S, Denmark: 3,1% (2024: 3,1€)
Supervisor index	Minimum 80 (scale 0-100)	85,64 (2024: 84,48)
Would you recommend Kiilto as a workplace (eNPS)	Minimum 20	47,87 (2024: 38,87)



Metrics related to employees

Gender of Kiilto's employees

Gender	Number of employees (headcount) 2024	Number of employees (headcount) 2025
Female	301	311
Male	429	417
Other	0	0
Not reported	0	0
Total	739	728

Kiilto's employees per country

Country	Number of employees (headcount) 2024	Number of employees (headcount) 2025
Finland	458	461
Sweden	81	79
Norway	16	19
Denmark	100	86
Estonia	31	31
Latvia	11	11
Ukraine	19	18
Poland	7	7
Lithuania	16	16
Total	739	728

Top management by gender

2025	Female	%	Male	%	Other	%
Top management	7	23	24	77	0	0

Top management includes country leaders, group leaders, and business area leaders.

Kiilto's employees by contract type and gender

Contract type 2025 (2024)	Female	Male	Other	Not disclosed
Permanent	297 (301)	405 (417)	0 (0)	0 (0)
Temporary	14 (9)	12 (12)	0 (0)	0 (0)
Non-guaranteed hours	11 (8)	17 (13)	0 (0)	0 (0)
Full time	293 (291)	407 (420)	0 (0)	0 (0)
Part time	18 (19)	10 (9)	0 (0)	0 (0)

Kiilto's employees by contract type and region

Contract type 2025 (2024)	Finland	Sweden	Norway	Denmark	Estonia	Latvia	Ukraine	Poland	Lithuania
Permanent	439 (441)	76 (80)	19 (16)	86 (98)	30 (30)	11 (11)	18 (19)	7 (7)	16 (16)
Temporary	22 (17)	3 (1)	0 (0)	0 (2)	1 (1)	0 (0)	0 (0)	0 (0)	0 (0)
Non-guaranteed hours	27 (20)	1 (1)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Full time	448 (447)	79 (81)	19 (16)	72 (84)	31 (31)	11 (11)	17 (18)	7 (7)	16 (16)
Part time	13	0 (0)	0 (0)	14 (16)	0 (0)	0 (0)	1 (1)	0 (0)	0 (0)

Employees by age group

2025 (2024)	Under 30 years old	30 to 50 years old	Over 50 years old
Employees	60 (70)	390 (393)	278 (276)

During the reporting period, 68 new employees were hired, and 64 employees left the company, resulting in 9% turnover rate.



Health and safety

73 % Of Kiilto's employees are covered by a health and safety management system. This includes Kiilto's production sites in Finland, Denmark, and Sweden. During the reporting period, there were no fatalities among own employees or other workers due to work-related injuries or work-related ill health.

The number of recordable work-related accidents was 24. The number of lost days to work-related injuries from work-related accidents was 104 days. Kiilto has an ISO 45001 system in place, which is audited and certified by DNV. During the reporting period, no fines, penalties, or compensation were paid for damages as a result of severe human rights issues or incidents. In Finland, Sweden, and Ukraine, all employees are covered by collective bargaining agreements. At KiiltoClean AS in Denmark, coverage is 70%, as management and engineering-educated employees are not covered by collective bargaining agreements. However, those not covered by collective bargaining agreements still follow the same guidelines. In Kiilto's other operating countries, there are no collective bargaining agreements.

Methodology for data collection

The data is sourced from Kiilto's HR system, Solarforce, based on employment records effective as of December 31, 2025. The headcount excludes certain employment types, including on-demand employees, unpaid trainees, summer workers, thesis workers, special groups, and agency workers. Relevant groups have been reported separately. The figures represent the headcount at the end of the reporting period. No external party has verified the presented data, and no assumptions have been applied.



Governance

“ During the reporting period, Kiilto conducted a human rights risk assessment, aiming to identify and evaluate the most significant human rights impacts and risks across the company's value chain. ”

Business conduct

Cultural cornerstones and guiding principles

Guiding principles

Kiilto's culture is established and communicated through a structured onboarding process, daily operations, management practices, and the internal Code of Conduct. Kiilto's cultural cornerstones have been approved by the Board.

In addition to the cultural cornerstones, Kiilto's operations are guided by an Operating Policy approved by the Management Teams. The Operating Policy sets out Kiilto's commitment to preventing, eliminating, and reducing environmental and health risks arising from its operations, products, and services.

Kiilto has implemented a Partnership Code of Conduct, which is available on the company's website. The Partnership Code of Conduct outlines the minimum standards of behaviour that Kiilto requires its partners to comply with when doing business with it. It is based on the Universal Declaration of Human Rights, the Ten Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the United Nations Convention on the Rights of the Child, and the principles concerning fundamental rights set out in the eight core ILO conventions. The Partnership Code of Conduct forms an integral part of contracts between Kiilto and its partners.

All Kiiltonians are required to complete an annual e-learning on Kiilto's Code of Conduct to ensure they understand Kiilto's cultural cornerstones, values, and principles for

ethical business behaviour. As an integral part of the Code of Conduct, the training also covers issues relating to anti-corruption, whistleblowing, and good business practices. This training is mandatory for all employees, including new hires and members of management.

In addition to the Code of Conduct training, Kiiltonians must also complete other mandatory annual trainings, including One Kiilto General Security, Our Promise to the Environment, and whistleblowing trainings.

Whistleblowing

All Kiiltonians and its stakeholders are actively encouraged to report any suspected misconduct. Kiilto is subject to legal requirements under national laws implementing the EU Whistleblowing Directive. Measures to protect whistleblowers, including their rights, privacy, and confidentiality, include securing anonymous reporting channels and a strict non-retaliation policy. Reports can be made through any of Kiilto's grievance channels, including personal contact, email, phone, or anonymously via the third-party whistleblowing reporting channel. The whistleblowing channel is available 24/7 for all Kiilto's companies and for external stakeholders, including suppliers and customers. The channel allows anonymous submissions. Additionally, the scope of reports is not limited to the Whistleblowing Directive. The whistleblowing channel also serves to submit allegations or incidents of corruption or bribery.

All potential non-compliance cases involving an employee or a contracted third party are promptly, thoroughly, and objectively investigated by a dedicated team independent of the management chain involved in the matter. Upon completion, all cases are reported to the managing director of the relevant company, with high-risk cases escalated to the Board. If necessary, a remediation plan is implemented in collaboration with relevant management representatives.



Kiilto's cultural cornerstones

Company culture is a versatile and multi-level element, which influences how the people in the organization behave. Company culture refers to the entity composed of common values, beliefs, attitudes and behavior. In other words, company culture means "how we tend to act".



You can make a difference

You are empowered to make an impact and use your expertise. Together we unite across borders to achieve common goals and harness the power of diversity.

- We trust, respect and care for each other and embrace our differences.
- We speak up, listen and learn from each other as we know that success is only done together.
- We take big and small steps that drive us forward and we take responsibility for our actions.



Building lasting bonds

With the help of deep customer insight and broad expertise, we keep our customers' best interest in the core of everything we do.

- We have the courage to challenge status quo and find win-win solutions.
- Across all roles and functions, we work together for the best interest for our customers.
- We take pride in building close and long-lasting partnerships with our customers.



Start-up spirit since 1919

Inspired by our past we create sustainable future. This is done by taking every opportunity of being curious.

- We see problem as an opportunity and something to overcome, as we are open to challenge and be challenged.
- We love, embrace and explore ideas, big and small.
- We never get tired of learning and improving, and making mistakes is part of the process.



Environmental leadership

We are guided by the desire to be environmental leaders in our fields. On that journey, we know that every action counts.

- We strive to continuously improve our solutions and way of working from an environmental perspective.
- Step by step we live true our promise to the environment.
- We collaborate with the ecosystem for creating environmental sustainability.

Management of relationships with suppliers

Sustainability is at the core of supplier discussions at Kiilto. Kiilto has established a structured supplier classification and evaluation model. The classification and evaluation process combines internal performance indicators with external sustainability risk indicators, including country-level risk assessments covering multiple dimensions of sustainability.

Supplier classification is based on key factors such as criticality, spend, risks, quality, availability, and location. All Kiilto's raw material suppliers are evaluated based on these criteria, with supplier-specific actions taken accordingly. Kiilto prioritises long-term supplier partnerships and supports continuous improvement and transparency with suppliers.

Kiilto's Partnership Code of Conduct, which covers a comprehensive range of social, environmental, and ethical requirements, remains a fundamental requirement for Kiilto's tier one suppliers.

In addition, Kiilto published its Sustainable Procurement Policy and started working on a Supply Chain Policy in 2025, further strengthening the framework guiding responsible sourcing.

A significant amount of data has been collected through suppliers' Life Cycle Assessment (LCA) and Environmental Product Declaration (EPD) documents for purchased raw materials. This has provided a strong understanding of Scope 3 emissions related to raw material procurement. In 2025, new tools were developed to support Scope 3 emissions planning and monitoring. In addition, a dedicated project was carried out to evaluate and prioritize the scope 3 emission reduction potential for the coming years, with a focus on raw materials used in construction products and industrial adhesives.

Whenever possible, Kiilto prioritises purchasing local raw materials, defining "local" as originating from Europe. In the business areas of construction products, industrial adhesives, and fireproofing, key production sites are in Finland and Sweden, with the share of 80% spending on locally sourced raw materials used in production. In the professional hygiene and consumer products business areas, production is in Finland and Denmark, with the share of 79% spend on locally sourced raw materials.

A development project for a new Supplier Relationship Management (SRM) tool was initiated in 2024 and finalised in early 2025. The SRM tool is actively used and supports transparent and centralized supplier data management by

consolidating all supplier-related information into a single system. In 2025, the SRM tool was also utilised to conduct supplier surveys, further enhancing supplier engagement and data collection.



Respect for human rights and due diligence

Human Rights Risk Assessment

During the reporting period, Kiilto conducted a human rights risk assessment, aiming to identify and evaluate the most significant human rights impacts and risks across the company's value chain. The assessment establishes the foundation for the systematic development of Kiilto's human rights work in the years ahead.

Commitments and Governance

Kiilto is committed to respecting human rights and extends this requirement throughout its entire value chain through the internal Code of Conduct and the Partnership Code of Conduct directed at business partners. It was evaluated positively, that employees receive Code of Conduct and whistleblowing training, and a dedicated working group has been established to assess human rights issues.

In the future, Kiilto will further clarify the roles and responsibilities related to internal sustainability matters and strengthen awareness and competence regarding human rights risks, particularly in the upstream value chain. Effective identification and advancement of human rights issues will require closer collaboration with both internal and external stakeholders.

Supplier Assessment and Value Chain Transparency

Human rights considerations are an integral part of Kiilto's supplier selection process, and suppliers are required to commit to the Partnership Code of Conduct. The risk assessment confirmed this as a consistent practice. However, challenges were identified in the limited and variable nature of human rights information obtained from suppliers, as well as a lack of clarity regarding how collected data is utilised systematically. Visibility into direct suppliers is good, but long and complex value chains make it difficult to achieve transparency beyond the first tier.

Going forward, Kiilto aims to deepen collaboration with suppliers, develop the supplier assessment system from a human rights perspective, and harmonise the supplier due diligence process in accordance with One Kiilto principles.

Raw Materials and Country Risk Management

Country risks are part of Kiilto's ongoing supplier assessment. Human rights indices, such as Walk Free and the Global Slavery Index, are included in the supplier classification system, and SMETA audits are carried out in high-risk countries. The risk assessment identified raw material-related human rights risks as the most severe and

probable across the value chain, making this a key area for development. Although the majority of raw materials are sourced from the EU, a significant proportion of their downstream production takes place in third countries, particularly in Asia. Visibility beyond direct suppliers remains limited, which reduces the effectiveness of risk management.

As a next step, Kiilto will carry out a more in-depth human rights risk assessment for critical raw materials and develop the risk identification process to be more systematic.

Stakeholder Engagement and Grievance Mechanisms

According to the risk assessment, Kiilto's employees generally feel safe raising concerns through the available channels, such as the whistleblowing channel. An area for development identified was the systematic identification of external rights holders from a human rights perspective, as well as their ability to report concerns and receive a response.

In addition, Kiilto aims to commit all of its business partners, not only suppliers, to compliance with the Partnership Code of Conduct, ensuring that human rights requirements extend consistently across the entire value chain.

Prevention and detection of corruption and bribery

Kiilto has zero tolerance for any form of corruption or bribery. A key measure in preventing such incidents is providing employees with training on anti-corruption and other business ethics topics. These subjects are included in Kiilto's annual mandatory e-learning for all Kiiltonians. To ensure compliance in daily operations, strict controls are in place, including the four-eye principle and the one-over principle, which are followed without exception. Any suspected unlawful behaviour or breaches are investigated and handled by the HR and Legal teams. Kiilto aims to implement an anti-corruption policy aligned with the United Nations Convention against Corruption by 2026. Sales and procurement functions are considered to be the areas at higher risk for corruption and bribery.

Kiilto's Whistleblowing Channel provides a confidential way to report any incidents of corruption or bribery. Severe cases may be escalated directly to Kiilto Family's Managing Director and Legal team. High-risk cases, once investigated and completed, are reported to the Kiilto's Board of Directors. Outcomes of other cases are communicated to the leadership of the respective company. Governance structures and procedures are in place to ensure that case handling is appropriate for the reported case. Cases that concern employees, management, or board members are handled with different precautionary measures to ensure prompt, independent, and objective resolution.

The Partnership Code of Conduct is a legally binding document for suppliers that outlines a common set of minimum standards, including provisions on corruption and bribery. Suppliers are required to commit to these principles as part of the prequalification process.

During the reporting period, Kiilto had no convictions or fines for violation of any anti-corruption and anti-bribery laws.





Payment practices

Kiilto follows an invoice payment process as part of its certified ISO 9001 management system. Invoices are paid on time, with only minor exceptions. Kiilto applies generally accepted standard payment terms for suppliers with an average of 44 days. Standard payment terms to suppliers varied between 15 and 60 days. During the reporting period, Kiilto had no unresolved legal cases related to late payments.



Appendix

Standard	Disclosure requirement	Name	Location in the report
ESRS 2	BP-1	General basis for preparation of the sustainability statement:	Basis of preparation for sustainability statement 2025
ESRS 2	BP-2	Disclosures in relation to specific circumstances	Basis of preparation for sustainability statement 2025
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	Kiilto's sustainability governance – Governance structure, Sustainability governance
ESRS 2	GOV-2	Information provided to, and sustainability matters addressed by the under-taking's administrative, management and supervisory bodies	Kiilto's sustainability governance – Sustainability topics addressed by the Board
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	Kiilto's sustainability governance – Sustainability-related performance in incentive schemes
ESRS 2	GOV-3	Statement on due diligence	Kiilto's sustainability governance – Statement on due diligence
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	Kiilto's sustainability governance – Risk management and internal control processes related to sustainability reporting
ESRS 2	SBM-1	Strategy, business model and value chain	Kiilto's strategy, value chain and business model
ESRS 2	SBM-2	Interests and views of stakeholders	Approach to stakeholder engagement
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks, and opportunities
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Identifying material impacts, risks, and opportunities
E1	E1-1	Transition plan for climate change mitigation	Climate Change – Transition plan for climate change mitigation
E1	E1-2	Policies related to climate change mitigation and adaptation	Climate Change – Policies related to climate change mitigation
E1	E1-3	Actions and resources in relation to climate change policies	Climate Change – Actions and resources in relation to climate change
E1	E1-4	Targets related to climate change mitigation and adaptation	Climate Change – Targets related to climate change
E1	E1-5	Energy consumption and mix	Energy consumption
E1	E1-6	Gross Scopes 1,2,3 and Total Greenhouse Gas emissions	Carbon footprint and emissions
E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Carbon footprint and emissions – Greenhouse gas removals and mitigation projects and international carbon pricing
E1	E1-8	Internal carbon pricing	Carbon footprint and emissions – Greenhouse gas removals and mitigation projects and international carbon pricing
E2	E2-1	Policies related to pollution	Pollution – Policies related to pollution
E2	E2-2	Actions and resources related to pollution	Pollution – Actions and resources in relation to pollution
E2	E2-3	Targets related to pollution	Pollution – Targets in relation to pollution
E2	E2-3	Metrics related to pollution	Pollution – Metrics related to pollution
S1	S1-1	Policies related to own workforce	Employees – Commitments and policies related to employees
S1	S1-2	Process for engaging with own workers and workers' representatives about impacts	Employees – Engagement with employees

Standard	Disclosure requirement	Name	Location in the report
S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Employees – Actions and resources related to employees
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Employees – Targets related to employees
S1	S1-6	Characteristics of the undertaking's own employees	Employees – Metrics related to employees
S1	S1-8	Collective bargaining coverage and social dialogue	Employees – Metrics related to employees
S1	S1-9	Diversity metrics	Employees – Metrics related to employees
S1	S1-14	Health and safety metrics	Employees – Metrics related to employees
G1	G1-1	Business conduct policies and corporate culture	Business conduct – Cultural cornerstones and guiding principles
G1	G1-2	Management of relationships with suppliers	Business conduct – Management of relationships with suppliers
G1	G1-3	Prevention and detection of corruption and bribery	Business conduct – Prevention and detection of corruption and bribery
G1	G1-4	Incidents of corruption or bribery	Business conduct – Prevention and detection of corruption and bribery
G1	G1-6	Payment practices	Business conduct – Payment practices