

Aspo sustainability report 2021

Socially, financially and environmentally sustainable business is a requirement for creating long-term value. A responsibly led growing company can create jobs, tax revenues and wellbeing.



● SUSTAINABILITY

Sustainable value creation

During 2021, Aspo completed a large-scale process to set sustainability targets for each business.



In 2020, Aspo's Board of Directors set an ambitious goal, according to which Aspo's businesses aim to be forerunners in sustainability in their respective sectors. Sustainability is also a key factor in guiding Aspo's management system and the process of investigating new investment objects.

Aspo's different businesses partly have highly different focus areas in their sustainability. ESL Shipping has actively reduced its environmental footprint by minimizing its fleet's emissions and energy consumption. Product safety is essential for Telko, which acts as a link between industrial customers and international raw material manufacturers. The operations of Leipurin focus on product safety, and the reduction of waste and wastage.

During 2021, Aspo completed a large-scale process to set sustainability targets for each business. Because the Aspo's businesses differ from one another, fairly significantly in places, the target setting process included exhaustive business-specific materiality assessments, stakeholder interviews and benchmark analyses.

Aspo and its businesses share the following sustainability commitments:

- Growing business while lowering pressure to the environment
- Improving the Aspo experience for people in our value chain
- Driving sound governance practices at all levels

To support these sustainability commitments, Aspo defined new environmental, social and corporate governance (ESG) targets for significant parts of sustainability in the Group and its businesses, and published them at the Aspo Capital Markets Day in December 2021. In addition to this Sustainability Report, ESL Shipping, Telko and Leipurin will also publish their own sustainability reports during 2022, reviewing the long-term targets of each business in more detail and discussing their progress in sustainability in 2021.

In addition to setting the sustainability targets, Aspo started, during 2021, to investigate the impact of the EU's classification system for environmentally sustainable economic activities (EU taxonomy) on the Group's businesses and reporting practices. The percentage of Aspo's operations eligible for the EU taxonomy from net sales, investments, and operating expenses is presented in the tables of this report.

Since 2018, Aspo has been a member of the UN's Global Compact initiative, and the Group's operations are steered by the ten Global Compact principles related to human rights, working life principles, the environment and the prevention of corruption. Every year, Aspo reports the fulfillment of the Global Compact principles as part of this account of non-financial information in accordance with the requirements set out in the Finnish Accounting Act and EU Directive 2014/95/EU. The Board of Directors of Aspo approves and signs this information annually when approving the financial statements.

This Sustainability Report also describes in more detail how Aspo's new sustainability targets are linked to the UN's Sustainable Development Goals (SDGs) that aim to eradicate extreme poverty and promote sustainable devel-



The UN's Sustainable Development Goals that have been defined to be the most significant for Aspo and as goals on which Aspo can have the most impact.

opment, while taking into account the environment, economy and people, equally and globally.

CONTINUOUS DEVELOPMENT OF SUSTAINABILITY

The implementation and development of Aspo's sustainability program will continue on many fronts in 2022: for example, we will prepare a new sustainability policy as part of Aspo's management system, further strengthen the integration of sustainability into decision making at Aspo and in its businesses, develop reporting and monitoring tools for our sustainability targets, and continue the investigations related to the EU taxonomy. We will also engage in closer cooperation with Aspo's portfolio companies with regard to our sustainability goals. The ESG targets will also become part of remuneration at Aspo in 2022.

Helsinki, February 16, 2022

Aspo Plc

Board of Directors

CEO

● SUSTAINABILITY

Aspo Group key sustainability themes

OUR AMBITION	Aspo portfolio companies aim to be sustainability forerunners in their industries					
OUR COMMITMENTS/ KEY FOCUS AREAS	<p style="text-align: right;">E</p> <p>Growing our business while lowering pressure to the environment</p>		<p style="text-align: right;">S</p> <p>Improving Aspo experience for people in our value chain</p>		<p style="text-align: right;">G</p> <p>Driving sound governance practices at all levels</p>	
MATERIAL THEMES FOR ALL BUSINESSES		To reduce emission intensity		Ensuring employee safety		Sound governance practices
		Driving sustainable innovations		Improving the employee, customer and principal experience		Thorough risk management
		Improving recycling and waste management		Enhancing product and service quality		Continuous development of the Sustainability program

● ENVIRONMENTAL RESPONSIBILITY


Aiming to reduce emission intensity

For Aspo, environmental responsibility means choices and concrete actions for the good of the environment in all its businesses. Growing our business while lowering pressure to the environment, is the key theme related to Aspo's environmental responsibility.



LOWERING CARBON INTENSITY

CO₂e (tn) / Net sales (t€)

Target 2025	Total 2021	2020	Notable	SDG
0.30	0.42	0.44	In 2021, carbon intensity improved due to the growth of the businesses and operational efficiency of ESL Shipping.	

DRIVING SUSTAINABLE INNOVATIONS

Business specific development of sustainable innovations.



IMPROVING RECYCLING AND WASTE MANAGEMENT

Business-specific targets have been set for recycling and waste management.



Actions and choices are supported by the shared sustainability targets set by the Group for all subsidiaries, in addition to which significant sustainability goals have been set for each business. The key goal related to the Group's environmental responsibility is to reduce the emission intensity, CO₂e (tn) per net sales (EUR thousand), by 30% by 2025. In 2021, the emission intensity improved, being 0.42 (0.44 in 2020). This positive trend resulted particularly from the growing businesses and ESL Shipping's operational efficiency and transport structure.

The more effective use of energy and raw materials plays a key role in reducing the Group's environmental impact, while ESL Shipping's vessels account for the majority of Aspo Group's carbon dioxide emissions. The most significant environmental aspects for the shipping company are related to the improved energy efficiency and the reduced carbon footprint of its fleet.

INVESTMENTS FOR THE GOOD OF THE ENVIRONMENT

In 2021, ESL Shipping announced its plans to build a series of six highly energy efficient electric hybrid vessels to strengthen its leading position in the sector. The new vessels of ice class 1A will be top of the line in terms of their cargo capacity, technology and innovation. The greenhouse gas emissions of the new vessels, including CO₂ per transported unit of cargo, will be more than 50% lower than those of current vessels, which makes them the most efficient in the world in their size category. The vessels' batteries, shore-side electricity solutions and hybrid operations enable wholly emission- and noise-free visits to ports. The vessels can also arrive at and depart from ports with electric power alone. ESL Shipping's long-term goal is to halve its carbon dioxide emissions per transportation unit by the end of the decade.

In Northern Europe, there continues to be considerable growth in interest among customers in environmentally friendly maritime transport that produces as low carbon emissions as possible. In addition to ESL Shipping's investments in new highly environmentally friendly vessels, the

ESL Shipping is preparing long-term cooperation with leading energy suppliers to offer sea transportation with even lower carbon emissions in the future.

shipping company is preparing long-term cooperation with leading energy suppliers to provide sea transportation with even lower carbon emissions, and even fossil-free transportation, in the future.

In 2021, the installation of the ballast water treatment systems required by new environmental regulations on ESL Shipping's vessels continued, and it will also continue in 2022. The purpose of these treatment systems is to prevent alien plant and animal species from accessing new living environments through ballast water. After the dock-ages planned for 2022, all vessels owned by ESL Shipping

will be equipped with ballast systems that meet new environmental regulations.

IMPACT ON THE WHOLE SUPPLY CHAIN

The largest environmental impact of Leipurin and Telko, which operate in the fields of trade and logistics, come from elsewhere in the supply chain. As defined by Aspo's Board of Directors, the goal of these companies is to be the best and the most responsible partners for their customers and principals in their respective fields and to reduce emissions in the entire supply chain through their expertise. In the next few years, we aim to understand the environmental impact of our entire supply chain even better.

Telko is playing its part in improving the circular economy involving plastics and is providing its customers with environmentally sustainable solutions. For example, Telko was the first Finnish distributor to receive the ISCC Plus certificate. ISCC Plus is a certificate granted for bio-based plastics. Accordingly, Telko can provide plastic raw materials produced in line with mass balance principles for its customers.

The goal of Leipurin is to reduce its environmental footprint especially by minimizing food waste and the volume of waste. Food waste comes from the disposal of product batches that have expired in warehouses, packages broken due to improper handling and the delivery of incorrect product batches to customers. Leipurin has significantly reduced its waste in recent years. This has been possible, for example, by improving the efficiency of procure-



ment activities and holding monthly meetings between procurement, sales and quality. These helped to accelerate the storage turnover rate. In addition, the utilization of waste has been increased by raising the amount of waste used as feed and recycled waste.

FOCUS ON THE MANAGEMENT OF ENVIRONMENTAL RISKS

Aspo has classified environmental damage resulting from its operations and especially from fuel processing in the shipping company's operations and the practices of its partners, for example, in the transport and storage of chemicals as significant risks associated with the environment. Changing regulations, such as stricter environmental laws, any changes in energy policies and the development of fuel taxation, can also have a significant impact on operating conditions and costs. Aspo actively monitors the regulatory situation and aims to develop its operations cost-effectively and at the correct time so that it can keep any investment needs resulting from changing regulations under control. The investigation of the EU's classification system for environmentally sustainable economic activities (EU taxonomy) on the Group's businesses and reporting practices started in 2021 and will continue in 2022.

Aspo prepares for and controls risks through productive environmental management. For example, ESL Shipping has its own environmental management system, certified by ISO 140001. In 2021, ESL Shipping registered three (2020: 3) minor oil spills. As a result of these incidents, roughly 50 liters of oil were released into the environment. These were handled properly and resulted in no consequences from the authorities.

In order to address environmental aspects in supply chains, Aspo has prepared the Supplier Code of Conduct. Aspo's reputation as a sustainable conglomerate that attends to its environmental impact is an important competitive factor for Aspo. After all, environmental issues are valuable to customers and other stakeholders.

Virtual Arrival reduces emissions in shipping



Due to charterparty clauses used commonly in sea transportation, ships have normally sailed at their service speed to arrive at their destination port so that the counting of the unloading time defined in the charterparty can start.

To reduce transportation emissions, ESL Shipping, steel producer SSAB and the Port of Oxelösund started the Virtual Arrival trial on the route between Luleå and Oxelösund last summer. The experiences of Virtual Arrival have been positive, and the trial has resulted in reductions in consumption and emissions.

The idea of Virtual Arrival is to reduce a ship's speed if it is known that its berth at the port will not be available upon arrival. Regardless of the actual arrival time, a ship's position in the port's line-up is determined based on the arrival time calculated using the normal service speed.

In addition to environmental benefits, Virtual Arrival provides ports with better opportunities to set more reliable schedules and use resources more effectively. When schedules are better known, workday planning on board ships will be easier as well.



"We are glad that the pilot phase has already generated a lot of interest among other customers as well. We hope to expand the use of Virtual Arrival, as it benefits all parties and we can reduce emissions simply by changing existing practices."

Kirsi Ylärinne

Operations Director, ESL Shipping

● SOCIAL RESPONSIBILITY

Personnel and customers at the core

Throughout its long history, major transformations and focus on people have been key characteristics of Aspo's operations. The engagement of employees and wellbeing at work comprise one of the most significant areas of sustainability in Aspo Group.



ENSURING EMPLOYEE SAFETY

Lost Time Injury Frequency Rate (LTIFR)

Target 2022	2021	2020	Note	SDG
7.0	8.8	8.5	Accident rates are low. Each individual accident significantly affects the LTIFR figure.	

IMPROVING THE EMPLOYEE, CUSTOMER AND PRINCIPAL EXPERIENCE

Employee satisfaction is measured by the People Power index

Target 2022	2021	Note	SDG
AA+	AA+	Aspo was recognized as one of the most inspiring workplaces in Finland in 2021 in Eezy Flow's People Power survey.	

PRODUCT AND SERVICE QUALITY

Business-specific targets have been set to ensure the quality of products and services. The net promoter score is used in each business.



Aspo treats its employees in a just and equal manner in all countries where it operates. The applicable local legislation and regulations are complied with in all contracts of employment. These concern, among other things, working hours, remuneration, development opportunities, human rights and working conditions. We aim to improve the personnel's engagement and wellbeing at work by promoting employees' professional development at all organizational levels and by building an encouraging atmosphere.

Aspo is committed to respecting internationally accepted human rights as defined in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We reject any discrimination based on education, competence, position, personality, way of life, work experience, ethnic origin, religion, gender, sexual orientation, age, nationality, abilities or other qualities.

The most significant social risks are associated with occupational safety and health, and the availability and commitment of the personnel. At Aspo, work environments range from cargo vessels to chemical warehouses, and specific focus is placed on safety guidelines and training in different businesses. The goal is that there are zero occupational accidents.

The purpose of occupational safety and health is to maintain the physical and psychological working ability of the personnel and thus their high quality of life. In Finland, occupational safety and health matters are handled at a Group level by the occupational safety and health committee. The committee had two meetings in 2021 (two meetings in 2020). In addition, meetings were held in different work locations. Each ESL Shipping vessel has an occupational safety and health committee which covers the entire

crew and meets four times a year. During 2021, ESL Shipping discovered one incident (two incidents in 2020) where the shipping company's substance abuse policy was violated. This incident did not endanger maritime safety, and the company reacted to the violation by taking appropriate action as required by the company's safety policy and collective agreement. To ensure safety, ESL Shipping monitors any substance abuse by its employees through unannounced control tests. In 2021, these tests showed no violations.

In the spring of 2021, a tragic accident took place on board an ESL Shipping's vessel, with one crew member passing away due to injuries inflicted while maintaining cargo bay doors. The causes of the accident were carefully assessed. In order to develop the safety culture further, co-operation was initiated with an external partner. In the new model, the trainer tours the vessels to ensure that they are operating in accordance with the safety management system, while providing safety training and refresher courses for the crew. In addition, AtoB@C Shipping hired its own quality inspector. The inspector's task is to visit the vessels regularly and to ensure that they meet the requirements, including those relating to safety culture and technical quality. With regular inspections, the chances of tackling potential problems, including on time-chartered ships, are now significantly better.

THE CORONAVIRUS PANDEMIC CONTINUED TO CHANGE THE WORK ENVIRONMENT

In 2021, the global coronavirus pandemic continued to have a significant impact on Aspo's operations in all its locations, and protecting the health of the personnel and other stakeholders remained the Group's top prior-

ity. Apart from ESL Shipping's maritime crew, almost all of the Group's employees have mainly worked remotely since the first stages of the pandemic. The transition to remote working and the adoption of new tools and ways of working went very smoothly. The coronavirus pandemic continued to have a particularly significant impact on crew changes, maintenance and spare parts deliveries on ESL Shipping's vessels due to insufficient flight connections and various travel restrictions. Preventive measures for protecting crew members' health security, including advance testing and quarantine arrangements, continued throughout the year.

Aspo regularly assesses the satisfaction of employees with their own tasks, the quality of management, and Aspo as an employer by conducting an annual atmosphere survey. In 2021, Aspo started to use the People Power index, a new method of measuring job satisfaction, and it was included in the Group's sustainability goals. The entire Group achieved the targeted AA+ rating in 2021 which indicates that job satisfaction has remained very high despite the challenges caused by the pandemic in the working environment.

In addition to employees, Aspo Group also monitors the satisfaction of other stakeholders actively, and it has set business-specific goals to ensure the quality of products and services. The net promoter score will be introduced in all businesses.

Sustainability and work safety at Leipurin



Leipurin has defined five cornerstones of sustainability, one of which is caring about people. It includes the following areas: occupational healthcare, work safety and wellbeing at work; diversity and engagement; and caring about people throughout the food chain.

In 2021, Leipurin focused on the fundamentals in its operations. To protect the safety of its employees in all operating countries, Leipurin adopted a whole new way of monitoring and reporting safety observations and accidents. Leipurin's management team will monitor the development of the situation on a monthly basis and will increase safety awareness. We will make sure that we can learn from one another and take action before anything happens. Our goal is to constantly improve safety awareness. In 2021, Leipurin's Lost Time Injury Frequency (LTIF) improved significantly from 2020. No accidents leading to absences (LTIF-1) took place in 2021. There were three accidents that did not result in any absences (LTIF-2). In

2020, the corresponding figures were one (LTIF-1) and four (LTIF-2).

In 2021, Leipurin also conducted a new personnel survey to obtain a new benchmark for evaluating employees' engagement, motivation and experiences of fairness. The survey results showed that Leipurin is at a good level and above the global standard. Our People Power index is AA+, also above the general standard. We are also satisfied that the claims receiving the highest scores were "our company supports wellbeing" and "our company treats employees fairly and equally". On the basis of the survey, all of Leipurin's operating countries and units prepared their own action plans. The fulfilment of the plans will be monitored actively, and the next personnel survey will be conducted in 2022.

The coronavirus pandemic set particular challenges in 2021, causing numerous restrictions and affecting work safety and engagement. Separate special regulations have

been prepared in every Leipurin operating country, and they have been revised according to country-specific restrictions. In 2021, the majority of our employees mainly worked from home. Supervisors maintained contact with their employees and monitored the wellbeing of their team members through Teams and by email and telephone. In Finland, Leipurin established a team to develop a hybrid work model for the personnel, and the results of its work were used in all our operating countries.

Leipurin applies zero tolerance to human rights violations in its operations and in its supply chain. In addition, Leipurin contributes to the development of the entire food chain by making healthy products that are also better for the environment. Our webinars are a good example of a dialogue on healthy options with our suppliers and customers.

● GOOD GOVERNANCE


A responsible partner and employer

Good governance is a key part of sustainability at Aspo. Aspo's Code of Conduct defines a common set of rules for sustainable business in all the Group's businesses.



SOUND GOVERNANCE PRACTICES

% of Aspo's personnel who completed the Code of Conduct & Compliance trainings

Target 2022	2021	2020	Note	SDG
98%	88%	94%	Code of Conduct & Compliance trainings to be renewed in 2022.	

THOROUGH RISK MANAGEMENT

Further development of systematic risk management process together with portfolio companies

CONTINUOUS DEVELOPMENT OF THE SUSTAINABILITY PROGRAM

Integration of ESG targets to personnel incentive system groupwide in 2022

Aspo's Code of Conduct, and HR management and development principles guide the Group's operations as a responsible employer. Aspo respects the freedom of association of employees and complies with local laws in each operating country. In emerging markets, in particular, Aspo aims to lead the way and spread sustainable operating methods.

Each of Aspo's businesses is committed to complying with key agreements and regulations in their respective sectors. For example, Telko complies, in all its operations, with the EU's REACH regulations that maximize chemical safety, as well as the ethical and business principles of FECC, the European Association of Chemical Distributors.

As an international company, Aspo also operates in countries in which corruption is common. According to Transparency International, these include Russia and Ukraine. Aspo's

Code of Conduct absolutely prohibits corruption and bribery in all their forms. Aspo's Compliance and Code of Conduct training includes anti-corruption issues and provides guidance for identifying any suspicious situations and practices considered unethical. In 2021, 89% of the Group's employees completed Code of Conduct training and 88% completed Compliance training. Aspo's goal is that all of the Group's personnel complete the training every year. Aspo's businesses are also monitoring sector-specific regulations and Telko, for example, uses more detailed guidelines for bribery, and it complies with the FECC's Code of Conduct. In addition, ESL Shipping and Telko apply risk assessments to their suppliers. Leipurin's objective is, through its new quality management system, to further

clarify its supplier criteria related to anti-corruption and anti-bribery.

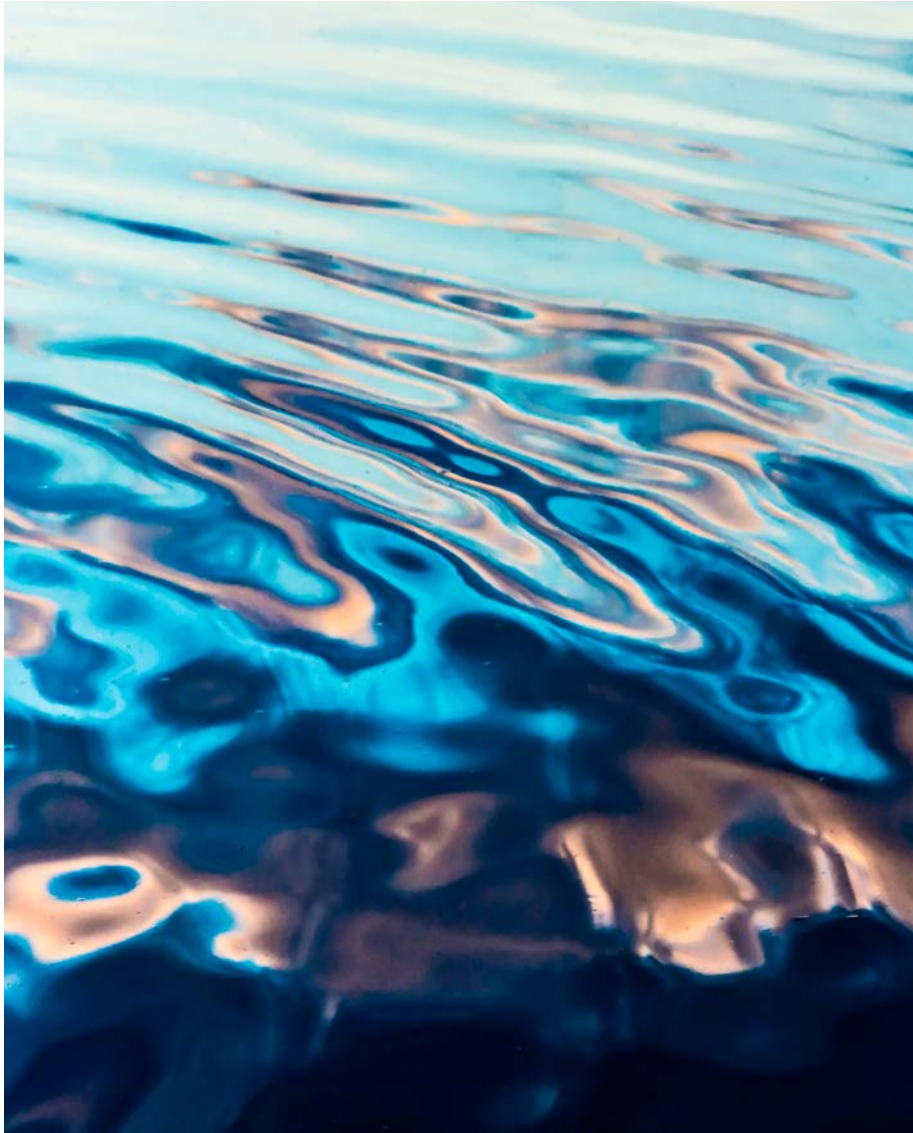
The key tool in the prevention of corruption and bribery is the responsible management of the supply chain. To ensure appropriate operating methods, Aspo's businesses monitor compliance with the Supplier Code of Conduct in various ways. For example, specific responsibility audits have been conducted at Telko since 2019. Warehouse audits conducted in partners' facilities are also part of Telko's toolkit to verify the compliance of its supply chain with regulations. In addition to on-site audits, a larger group of suppliers is monitored through self-assessment. Significant numbers of the partners of ESL Shipping, Telko and Leipurin are important international companies, with which each of these businesses have been engaged

in long-term cooperation and which have their own stabilized processes for the responsible management of supply chains. Aspo's Internal Audit and Legal Affairs departments also conduct audits within all businesses in accordance with annual plans.

Since 2020, Aspo has been using a fully anonymous whistleblowing channel maintained by an external party. The system makes the processing of reported cases more effective and guarantees the anonymous and encrypted exchange of messages with the person who reported each case. Through the service, employees can express their concerns over anything that is non-compliant with Aspo Group's values or Code of Conduct and may have serious consequences for our organization or individuals. Reports are forwarded to the whistleblowing channel team, led by

SUSTAINABILITY TO FORM AN INTEGRAL PART OF OUR ACQUISITION PROCESS AND OWNERSHIP AGENDA

	TARGET MAPPING	ACQUISITION PROCESS	OWNERSHIP
OUR APPROACH	<p>We evaluate potential targets based on financial performance and strategic fit</p> <p>Sustainability forms an integral part of the strategic fit –evaluation</p>	<p>We deepen our understanding of the financial performance and strategic direction</p> <p>Sustainability is evaluated both in terms of evaluating</p> <ul style="list-style-type: none"> · Target performance across Aspo's key sustainability themes · Impact on Aspo's opportunity to reach set KPI targets <p>The evaluation may result in us not investing in a company</p>	<p>We develop a sustainability strategy, incl. priority areas, together with the acquired company</p> <p>We set targets, define key actions, and monitor results – we provide active support from the group where needed</p> <p>We are committed to progress reporting to Aspo board and shareholders</p>



the Group's Director of Legal Affairs. Reports are processed in accordance with a fixed process and forwarded to Aspo's Board of Directors, which will also process them if necessary. Employees are notified of the whistleblowing channel, for example, in conjunction with Code of Conduct training. A total of nine reports were submitted through the whistleblowing channel in 2021. These reports were processed and responded to in accordance with Aspo Group's processes. The reports were mainly related to minor violations of internal policies. No new cases of fraud were discovered in Aspo's businesses in the investigations conducted, and no confirmed violations related to corruption or bribery were reported through Aspo's whistleblowing channel. In 2019, misuse was suspected in relation to cargo prices of transportation services used by Leipurin in Lithuania, and the legal action taken in 2020 as a result of the case is still in progress.

Aspo also has a broad impact on the communities in which it operates. For example, ESL Shipping is a significant organizer of maritime transport and plays a key role in Finland's emergency supply, because maritime transport accounts for 80% of Finland's imports and 90% of its exports. In the event of a crisis, vessels operating under the Finnish flag safeguard connections to other countries.

Sustainability plays a significant part in structural arrangements and in identifying potential targets for business acquisitions. In Aspo's strategy, corporate arrangements are a key part of value creation, and the aim is to create growth and an income flow through them. Sustainability is a key factor in guiding Aspo's management system and the process of investigating new investment objects.

In 2021, Nasdaq designated Aspo as a Nasdaq ESG Transparency Partner. The recognition is given to companies that communicate ESG themes related to sustainability transparently to their customers and investors.

The development of sustainability is a never-ending process, and we will continue to advance Aspo's sustainability program on many fronts in 2022. For example, we will prepare a new sustainability policy as part of Aspo's management system, further strengthen the integration of sustainability into decision making at Aspo and in its businesses, develop reporting and monitoring tools for our sustainability goals, and continue the investigations related to the EU taxonomy. In addition, we will engage in closer cooperation with Aspo's portfolio companies with regard to our sustainability goals and integrate the ESG goals as part of remuneration at Aspo.

Competitive advantage in the eastern market thanks to good governance

Aspo Group aims to operate reliably and consistently in all countries. Besides service capabilities, Telko has worked several years to establish high level of compliance processes in all Eastern organizations. Especially in Eastern market, this has brought competitive edge against Telko's competitors. Telko has become one of the leading companies in distribution also in Central Asian markets. Telko's team has great commitment and capabilities to support customers in their product development. Telko's partners, who trust Telko to distribute their world-class products, rely on our sales, technical service and supply chain operations run by professionals trained in compliance.

Telko East is constantly developing its compliance system using the best legal and compliance practices on the market. One of the key components of Telko compliance system is thorough KYC (Know Your Counterparty) check of 100 % of our counterparties based on the risk-oriented approach.

Implementation of KYC Policy in Telko East aims to achieve, among others, the following purposes:

- Strengthen the Company's reputation by applying best practices when working with Counterparties and ensuring transparency in the selection of Counterparties by the Company;
- Strengthening the Company's reputation by applying best practices when working with Counterparties and ensuring transparency in the selection of Counterparties by the Company;
- Preventing tax risks for the Company, including those related to the rejection by tax authorities of input VAT credit due to the failure to exercise due diligence and selection of bad faith Counterparty

Telko East thoroughly checks all counterparties on all possible sanctions risks using modern and effective tools – Dow Jones Risk & Compliance System. No transactions are allowed before sanctions risk due diligence is finished. Moreover, thousands of Telko's existing counterparties are automatically screened 24/7 on all possible sanctions risks which may suddenly arise due to constantly changing sanctions regimes in the modern world.



"We at Telko are proud of high standards and processes of compliance which strengthen our relationships towards our Partners and Customers."

Petteri Martikainen

Vice President of Plastics, Telko Oy



"TELKO is a key partner for Avient with a long history of fruitful collaboration. We value especially their uncompromising dedication towards sustainability which for us is a key decision criteria when choosing partners."

Michael Thiessenhusen

Director of Sales & Regional Key Accounts Europe, Avient

Business-specific sustainability targets

Aspo's businesses aim to be forerunners in sustainability in their respective sectors. Because Aspo's businesses differ from one another, fairly significantly in places, each business has set their own long-term sustainability targets. ESL Shipping, Telko and Leipurin will also publish their own sustainability reports during 2022, reviewing the long-term targets of each business in more detail and discussing their progress in sustainability work in 2021.

● ESL SHIPPING

	Growing our business while lowering the pressure to the environment	Improving the Aspo experience for people in our value chain	Driving sound governance practices at all levels
GOALS	<ul style="list-style-type: none"> -50% of CO₂ by 2030, Net zero operations by 2050 We work with the ports to minimise the amount of grey water and hold washing water to the sea We commit to Science Based Targets Initiative by the end of 2023 	<ul style="list-style-type: none"> We provide a safe and healthy place to work We provide first-class service to our customers We treat everyone equally 	<ul style="list-style-type: none"> We conduct ethically in line with applicable law and standards and expect the same from our counterparties Incorporation of climate change mitigation into the incentive system for personnel and management
SELECTED KPIS & TARGETS	<p>Scope 1 CO₂-emissions in total 2050: Net zero CO₂ emission operations</p> <p>Scope 1 CO₂-emissions per ton-mile 2030: 50% lower carbon intensity per ton-mile compared to 2008 and respective vessel class</p> <p>Percentage of grey water pumped to shore reception facility Target 2025: 50% Target 2030: 100%</p>	<p>LTIFR Includes all incidents, per 1,000,000 working hours Target: Zero</p>	<p>Percentage of employees who have completed Compliance and Code of Conduct training Target: 100%</p>

● TELKO

	Growing our business while lowering the pressure to the environment	Improving the Aspo experience for people in our value chain	Driving sound governance practices at all levels
GOALS	<p>Lowering carbon intensity</p> <p>Driving sustainable innovations</p> <p>Improving recycling and waste management</p>	<p>Ensuring employee safety</p> <p>Improving the employee, customer and principal experience</p>	<p>Sound governance practices</p> <p>Continuous development of the Sustainability program</p>
SELECTED KPIS & TARGETS	<p>Scope 3: create a road map and KPIs for reducing CO₂ emissions in Telko transports by 2023</p> <p>Create targets and KPIs for hand print improvement by 2025</p> <p>KPI: Raw material waste %</p> <ul style="list-style-type: none"> Target: under industry average 	<p>Lost time incident rate</p> <ul style="list-style-type: none"> Target : zero <p>Employee satisfaction survey</p> <ul style="list-style-type: none"> Target: maintaining AA+ <p>Customer Satisfaction, NPS</p> <ul style="list-style-type: none"> Target: continuous improvement 	<p>Completion of Code of Conduct & Compliance training</p> <ul style="list-style-type: none"> Target: 100% of employees with min. 3 months employment complete training yearly <p>EcoVadis score.</p> <ul style="list-style-type: none"> Target: EcoVadis gold level by 2023 and Platinum level by 2025

● LEIPURIN

	Growing our business while lowering the pressure to the environment	Improving the Aspo experience for people in our value chain	Driving sound governance practices at all levels
GOALS	<ul style="list-style-type: none"> Reducing Scope 1 & 2 emissions in our operations Supporting our supply chain in reducing their emissions: develop system for Scope 3 emission monitoring Increasing material efficiency and reducing waste 	<ul style="list-style-type: none"> Maintaining high quality and product safety Ensuring a responsible supply chain Protecting biodiversity Caring for all the people in the food chain Diversity & inclusion Health, safety and well-being at work 	<ul style="list-style-type: none"> Creating and upholding systematic sustainability management Strong corporate governance and stakeholder relations
SELECTED KPIS & TARGETS	<ul style="list-style-type: none"> Mapping, measurement and target setting done in 2022 20% less travel and daily commuting in 2022 Scrap under 1% of sales value in 2022 Leipurin branded palm-oil products 100% certified in 2022 	<ul style="list-style-type: none"> Zero accidents People Power AA+ Net Promoter Score in use 	<ul style="list-style-type: none"> Risk countries approach implemented in 2022 Established new way of sustainability governance in 2022

● INFORMATION ACCORDING TO THE EU TAXONOMY REGULATION

ESL Shipping	Taxonomy eligible, %	Non-eligible, %
Turnover	100	0
Capital expenditure	100	0
Operating expenditure	100	0

Telko	Taxonomy eligible, %	Non-eligible, %
Turnover	0	100
Capital expenditure	0	100
Operating expenditure	0	100

Leipurin	Taxonomy eligible, %	Non-eligible, %
Turnover	0	100
Capital expenditure	0	100
Operating expenditure	0	100

EU taxonomy is the classification system for environmentally sustainable activities in the EU. The taxonomy defines economic measures that substantially contribute to the environmental objectives: climate change mitigation and adaptation, sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems. The aim of the taxonomy is to scale up sustainable investment and to promote the green transition. The taxonomy will increase the transparency of business activities for investors. The Taxonomy Climate Delegated Act includes activities that have the greatest potential to contribute to climate change mitigation. To be taxonomy aligned, an economic activity needs to contribute at least to one of the environmental objectives and do not significantly harm any of the other objectives.

In their reporting for 2021, businesses are required to disclose the proportion of Taxonomy-eligible economic activities in their turnover, capital expenditure and operating expenditure. Taxonomy-eligible activities currently include those in the scope of the Climate Delegated Act.

Sustainability tables

The reporting period is the calendar year 2021. In principle, the reporting covers the entire Aspo Group. Any exceptions have been stated in conjunction with the indicators. The personnel figures given in the sustainability report include all permanent employees, including long-term absentees. The personnel figures also include the temporary maritime crew of Ato-B@C Shipping, a subsidiary of ESL Shipping, but only with regard to vessels owned by the company. In the financial statements, the personnel figures only include Aspo Group's own employees, not temporary external workers. Additionally, the personnel figures only include active employees.

● THE USE OF ENERGY AND EMISSIONS

ESL Shipping ²	2021	2020	2019	2018	2017
Purchased energy ¹ , Mwh	322.10	243.40	117.57	105.23	129.7
Total use of fuel, Mwh	898,551	838,743	892,250	597,300	347,830
tCO ₂ ²	237,621	220,122	237,296	160,988	93,224
g-CO ₂ per ton mile ³	15.74	15.48	15.47	13.1	10.75
tSO _x ²	98.36	56.44	179.27	128.9	95.3
mg-SO _x per ton mile ³	5.93	3.97	11.69	10.49	10.99

Telko ⁴	2021	2020	2019	2018	2017
Purchased energy ¹ , Mwh	1172.0	768.5	1093	1,059.5	1,118.7
tCO ₂ ²	340.1	215.8	306.9	337.20	428

Leipurin	2021	2020	2019	2018	2017
Purchased energy ¹ , Mwh	3,212.8	4,148.0	3,394.8	4,240.6	3,429.0
tCO ₂ ²	965.4	1,124.0	1,154.2	1,441.0	1,374.0

Kauko	2021	2020	2019	2018	2017
Purchased energy ¹ , Mwh	37.91	117.84	146.54	125.00	144.9
tCO ₂ ²	9.35	21.41	24.68	23.00	29.5

Other operations	2021	2020	2019	2018	2017
Purchased energy ¹ , Mwh	180.9	182.7	150.3	177.1	210.9
tCO ₂ ²	27.2	27.5	23.7	25.60	32.7

Aspo Group	2021	2020	2019	2018	2017
tCO ₂ ²	238,963	221,511	238,805	161,350	93,714
Net sales	573,300	500,700	587,700	540,900	502,400
Aspo Group carbon intensity	0.42	0.44	0.41	0.30	0.19

¹ Purchased energy mainly measured, if not possible to measure the figures are estimated.

² The figures include Raahe from 2020 onwards. Tug Charlie's use of shore-side electricity increases energy consumption from 2020 onwards.

³ Figures corrected retrospectively for 2018.

⁴ The figures cover Telko's main countries of operation Finland, Poland, Russia, Ukraine, Sweden and Denmark.

● LTIF AND SICK LEAVES

ESL Shipping – Office²	2021	2020	2019	2018	2017
LTIFR-2 ¹	8.1	2.7			
Sick leaves, % ²	0.7	0.8	1.4	0.5	0.9

ESL Shipping – Marine personnel	2021	2020	2019	2018	2017
LTIFR-2 ¹	22.3	21.4	22.1	21.1	8.9
Sick leaves, % ²	3.7	4.6	4.0	3.9	3.0

AtoB@C Shipping – Marine personnel³	2021	2020	2019	2018	2017
LTIFR-2 ¹	10.9	0	0	0	0
Sick leaves, % ²	0.3	0			

Telko	2021	2020	2019	2018	2017
LTIFR-1 ¹	0	0	4	41	13
LTIFR-2 ¹	0	0			
Sick leaves, % ²	1.2	1.2	1.4	1.1	1.4

Leipurin	2021	2020	2019	2018	2017
LTIFR-1 ¹	2	7	8	10	48
LTIFR-2 ¹	6.3	10.3			
Sick leaves, % ²	3.5	2	4.0	1.7	1.9

Kauko	2021	2020	2019	2018	2017
Sick leaves, % ²	1.5	0.3	0.3	1.6	0.9

Other operations	2021	2020	2019	2018	2017
LTIFR-1 ¹	0	0	0	0	29
LTIFR-2 ¹	0				
Sick leaves, % ²	0.3	0.3	1.6	0.7	1.1

Aspo Group	2021	2020	2019	2018	2017
LTIFR-2 ¹	8.8	8.5			

¹ Lost-time injury frequency (LTIF) is presented per 1,000,000 working hours.
 LTIFR-1/Injuries resulting in absence at least one full day per million person-hours
 LTIFR-2/ All injuries that require medical treatment and/or alternative work

² Sick-leave absence ratio is calculated: (sick days/total work days)*100. For AtoB@C Shipping's marine personnel in Sweden, the sick leave % is calculated only for days at sea.

³ Information on sick leave is not available for AtoB@C Shipping marine personnel.

● NUMBER OF PERSONNEL BY GEOGRAPHICAL AREA, DECEMBER 31

ESL Shipping ¹	2021	2020	2019	2018	2017
Finland	276	275	262	262	236
Scandinavia	79	79	74	69	-
Baltic countries	-	-	-	-	-
Russia, other CIS countries and Ukraine	-	-	-	-	-
Other countries	-	1	1	1	-
Total	355	355	337	332	236

Telko	2021	2020	2019	2018	2017
Finland	50	49	52	50	64
Scandinavia	38	37	24	27	23
Baltic countries	54	34	36	33	31
Russia, other CIS countries and Ukraine	155	140	162	161	169
Other countries	24	25	25	25	32
Total	321	285	299	296	319

Leipurin	2021	2020	2019	2018	2017
Finland	76	73	80	100	108
Scandinavia	-	-	-	-	-
Baltic countries	47	49	50	49	50
Russia, other CIS countries and Ukraine	147	141	167	171	212
Other countries	-	-	-	10	14
Total	270	263	297	330	384

Kauko	2021	2020	2019	2018	2017
Finland	21	21	30	33	47
Scandinavia	-	-	-	-	-
Baltic countries	-	-	-	-	-
Russia, other CIS countries and Ukraine	-	-	-	-	-
Other countries	1	1	1	1	13
Total	22	22	31	34	60

Other operations	2021	2020	2019	2018	2017
Finland	36	32	27	25	26
Scandinavia	-	-	-	-	-
Baltic countries	-	-	-	-	-
Russia, other CIS countries and Ukraine	-	-	-	-	-
Other countries	-	-	-	-	-
Total	36	32	27	25	26

Aspo Group	2021	2020	2019	2018	2017
Finland	459	450	451	470	481
Scandinavia	57	116	98	96	23
Baltic countries	101	83	86	82	81
Russia, other CIS countries and Ukraine	302	281	329	332	381
Other countries	25	27	27	37	59
Total	944	957	991	1017	1025

¹ ESL Shipping's marine personnel of the subsidiary AtoB@C Shipping reported for the vessels owned.

● NUMBER OF PERSONNEL BY CATEGORY, DECEMBER 31

ESL Shipping ¹	2021	2020	2019	2018	2017
Office staff	43	41	38	35	21
Supervisors	7	8	3	–	3
Management	7	6	7	8	3
Non-office staff	2	2	2	3	6
Total	59	57	50	46	33

Telko	2021	2020	2019	2018	2017
Office staff	265	233	250	250	256
Supervisors	26	25	19	17	18
Management	24	20	24	20	25
Non-office staff	6	7	6	9	20
Total	321	285	299	296	319

Leipurin	2021	2020	2019	2018	2017
Office staff	190	182	206	211	272
Supervisors	35	37	40	38	20
Management	17	16	19	20	26
Non-office staff	28	28	32	61	66
Total	270	263	297	330	384

Kauko	2021	2020	2019	2018	2017
Office staff	15	15	22	24	47
Supervisors	2	2	1	5	3
Management	1	1	3	–	4
Non-office staff	4	4	5	5	6
Total	22	22	31	34	60

Other operations	2021	2020	2019	2018	2017
Office staff	28	26	22	19	19
Supervisors	2	2	2	3	2
Management	6	4	3	3	4
Non-office staff	0	0	0	0	1
Total	36	32	27	25	26

Aspo Group ¹	2021	2020	2019	2018	2017
Office staff	541	497	538	539	615
Supervisors	72	74	65	63	46
Management	55	47	56	51	62
Non-office staff	40	41	45	78	99
Total	708	659	704	731	822

¹ Excluding marine personnel.

● NUMBER OF PERSONNEL BY CONTRACT TYPE, DECEMBER 31

ESL Shipping	2021	2020	2019	2018	2017
Amount of personnel	295	355	337	332	236
Full-time contract ¹	59	56	50	45	33
Part-time contract ¹	0	1	-	1	-

¹ Excluding marine personnel.

Telko	2021	2020	2019	2018	2017
Amount of personnel	321	285	299	296	319
Full-time contract	315	278	293	290	313
Part-time contract	6	7	6	6	6

Leipurin	2021	2020	2019	2018	2017
Amount of personnel	270	263	297	330	384
Full-time contract	264	260	293	316	364
Part-time contract	6	3	4	14	20

Kauko	2021	2020	2019	2018	2017
Amount of personnel	22	22	31	34	60
Full-time contract	22	22	31	34	60
Part-time contract	0	0	-	-	-

Other operations	2021	2020	2019	2018	2017
Amount of personnel	36	32	27	25	26
Full-time contract	35	30	26	22	23
Part-time contract	1	2	1	3	3

● GENDER DISTRIBUTION, DECEMBER 31

ESL Shipping	2021	2020	2019	2018	2017
Women	40	40	36	35	21
Men	255	315	301	297	215
Total	295	355	337	332	236

Telko	2021	2020	2019	2018	2017
Women	168	151	164	160	162
Men	153	134	135	136	157
Total	321	285	299	296	319

Leipurin	2021	2020	2019	2018	2017
Women	154	149	166	198	228
Men	116	114	131	132	156
Total	270	263	297	330	384

Kauko	2021	2020	2019	2018	2017
Women	3	3	5	7	14
Men	19	19	26	27	46
Total	22	22	31	34	60

Other operations	2021	2020	2019	2018	2017
Women	18	18	16	14	13
Men	18	14	11	11	13
Total	36	32	27	25	26

The Boards of Aspo and segments	2021	2020	2019	2018	2017
Women	6	6	7	5	8
Men	8	9	9	10	11
Total	14	15	16	15	19

Aspo Group	2021	2020	2019	2018	2017
Women	383	367	394	419	446
Men	561	605	613	613	598
Total	944	972	1007	1032	1044

● AGE DISTRIBUTION, DECEMBER 31

ESL Shipping	2021	2020	2019	2018	2017
> 24	5	5	12	9	15
25-39	124	132	119	103	82
40-54	140	141	127	107	96
55 <	86	77	79	56	43
Total	355	355	337	275	236

Telko	2021	2020	2019	2018	2017
> 24	3	3	8	6	9
25-39	144	131	140	137	157
40-54	131	116	117	119	123
55 <	43	35	34	34	30
Total	321	285	299	296	319

Leipurin	2021	2020	2019	2018	2017
> 24	8	1	3	17	20
25-39	97	105	129	154	173
40-54	122	121	132	126	141
55 <	43	36	33	33	50
Total	270	263	297	330	384

Kauko	2021	2020	2019	2018	2017
> 24	0	0	0	1	2
25-39	4	4	6	6	13
40-54	11	10	16	19	35
55 <	7	8	9	8	10
Total	22	22	31	34	60

Other operations	2021	2020	2019	2018	2017
> 24	0	1	1	0	0
25-39	16	13	6	6	6
40-54	11	9	10	10	10
55 <	9	9	10	9	10
Total	36	32	27	25	26

Aspo Group	2021	2020	2019	2018	2017
> 24	15	10	24	33	46
25-39	375	385	400	406	431
40-54	394	397	402	381	405
55 <	160	165	165	140	143
Total	944	957	991	960	1025

● AVERAGE AGE OF EMPLOYEES

ESL Shipping	2021	2020	2019	2018
Average age of employees	44	45	45	44

Telko	2021	2020	2019	2018
Average age of employees	41	42	41	40

Leipurin	2021	2020	2019	2018
Average age of employees	42	43	41	39

Kauko	2021	2020	2019	2018
Average age of employees	48	48	47	48

Other operations	2021	2020	2019	2018
Average age of employees	49	43	47	47

Aspo Group	2021	2020	2019	2018
Average age of employees	42	44	44	44

● EMPLOYEE TURNOVER RATE

ESL Shipping	2021	2020	2019	2018	2017
turnover rate, ground staff	8	9	16	16	15

Telko	2021	2020	2019	2018	2017
turnover rate	17	8	20	14	13

Leipurin	2021	2020	2019	2018	2017
turnover rate	17	10	26	26	18

Kauko	2021	2020	2019	2018	2017
turnover rate	5	0	31	41	16

Other operations	2021	2020	2019	2018	2017
turnover rate	13	19	39	18	8

Aspo Group	2021	2020	2019	2018	2017
turnover rate	15	9	23	21	15

Average turnover, %

● PEOPLE POWER (SCALE 0–100)

	2021	rating
ESL Shipping	79.8	AA+
Telko	82.2	AAA
Leipurin	80	AA+
Kauko	72.4	AA
Other operations	76.4	AA+

In 2021, Aspo introduced People Power personnel survey, which aims to identify the organisation's strengths and areas for development in terms of its own work, the community work community and the entire organization. Excluding marine personnel.

● EMPLOYEE SATISFACTION INDEX (SCALE 1–5)

	2021	2020	2019	2018
Business segment	-	4.02	3.94	4.18
Own unit	-	4.22	4.08	4.24
My work	-	4.23	4.19	4.22
My superior	-	4.15	4.10	4.16

In 2021, Aspo introduced People Power personnel survey, which replaced the previous method.

● CODE OF CONDUCT AND COMPLIANCE -TRAINING 2021

	Compliance	%	Code of Conduct	%	persons
ESL Shipping	58	98.3	58	98.3	59
Telko	278	92.7	275	91.7	300
Leipurin	214	79.3	226	83.7	270
Kauko	22	100.0	22	100.0	22
Other operations	29	80.6	30	83.3	36
Aspo Group	601	87.5	611	88.9	687

Family leave and other long absences have been excluded. Excluding marine personnel.

● WASTE - LEIPURIN

tons	2021	2020	2019	2018	2017
Utilized	18.02	218.50	271.33	88.78	75.7
share of total sales ¹	0.16	2.16	2.34	0.73	0.62
Landfill	70.19	118.47	152.27	298.36	300.74
share of total sales ¹	0.62	1.17	1.32	2.46	2.45
Energy	21.33	55.14	22.87	42.49	54.38
share of total sales ¹	0.19	0.55	0.2	0.35	0.44

¹ Share of total sales reported waste ton per EUR million.