

**Ahlstrom Oyj**

**Sustainable Procurement Policy**

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## 1 Purpose & Scope

Ahlstrom is committed to reducing its carbon footprint in line with a 1.5°C trajectory with the [Science Based Targets initiative \(SBTi\)](#) and aims to become [Net Zero by 2050](#).

Ahlstrom's Sustainable Procurement Policy focuses on implementing procurement practices that contribute to the aforementioned SBTi and Net Zero targets. Our ambition is to minimize the environmental impact and support the social and economic development of the communities we operate in. This policy outlines expectations for supplier practices under the Ahlstrom [Supplier Code of Conduct](#), adherence to [UN Global Compact principles](#), and prioritizes valuing natural resources and developing low-carbon value chains. The policy includes responsible sourcing, water stewardship, environmental management, and initiatives for ESG improvements. It relies on a Sustainable Procurement Steering for oversight and annual policy revisions based on recommendations.

This Sustainable Procurement Policy is applied globally across all Ahlstrom operations to ensure consistent standards and practices, and its purpose is to mandate Ahlstrom's Procurement function by designing and deploying ways of working with upstream supply chain Forestry, Agriculture, Energy, Chemicals, and Logistics sectors to support Ahlstrom's sustainable procurement priorities. Sustainable procurement activities are led through partnering with suppliers that account for a relevant share of Ahlstrom's carbon emissions and external spend. In situations where suppliers do not comply with this policy, we will collaborate with them to develop a plan to achieve compliance, or we will consider discontinuing their supply.

## 2 Sustainable Procurement Priorities

### 2.1 Valuing the sharing of natural resources

Forests, lands for crops, and water are natural resources relevant and critical to Ahlstrom's supply chain.

Ahlstrom monitors the products originating from forests via its [Due Diligence System \(DDS\)](#) for [Wood Legality](#). This system is implemented across Ahlstrom's global operations and safeguards Ahlstrom from controversial practices as per environmental, ethical and social impacts within the forest-related industries. It also helps ensure that all wood and wood-based materials entering Ahlstrom's production process originate from [FSC](#), [PEFC](#), or [SFI-certified](#) sources. This system also safeguards indigenous people's rights of land ownership and usage of forest resources. In addition to DDS, Ahlstrom supports the restoration of biodiversity in forest landscapes.

With its long history of annual fiber usage, Ahlstrom develops unique partnerships with operators in countries where crops grow. Training and improvement practices are piloted with select partners to improve access to clean water, sanitation, and health and safety conditions in the workplace whilst ensuring adequate living wages and avoidance of child labor. Forced labor is prohibited.

### 2.2 Developing more sustainable value chains

Environmental management is fundamental when dealing with the Fibers, Chemicals and Energy, Transportation, and Waste Management sectors. Selection of strategic partners relies on demonstrating ISO14001 standard or equivalent. For those sectors of activities, Ahlstrom compiles GHG Protocol-compliant inventories of Greenhouse Gas emissions based primarily on its suppliers' primary data, then secondary data, and addresses carbon reduction targets from upstream activities partnering with strategic partners.



Ahlstrom participates in transitioning towards a more circular economy by leveraging the usage of renewable materials resulting in projects working jointly with innovation functions. Top suppliers' capabilities for renewable materials are evaluated regularly. Ahlstrom Procurement will always ensure these suppliers' contracts reflect the company's ESG requirements.

Ahlstrom Procurement is working with Waste Management suppliers to assess and implement lifecycle solutions for its main waste streams. Moreover, Ahlstrom Procurement will track the carbon emissions performance of its main transportation suppliers that have the greatest impact on the company's carbon footprint as a baseline to promote low-carbon emissions within the company's supply chain.

### **2.3 Human rights in the supply chain**

Ahlstrom is committed to upholding human rights in all operations and demands the same from its suppliers. Recognizing the risks in its supply chain, Ahlstrom enforces a strict procurement onboarding process to screen suppliers. The company supports key international declarations and guidelines, committing to eliminate child and forced labor and to uphold workers' rights to association and bargaining.

Compliance is ensured through Ahlstrom's Supplier Code of Conduct, promoting adherence to minimum standards in: human rights; health and safety; the environment; and protection of information among others. To prevent violations, Ahlstrom maintains the "SpeakUp" platform for confidential reporting by third parties, ensuring thorough investigation and resolution.

## **3 Mandate to Ahlstrom Procurement function**

Ahlstrom aims to create long-term value for and from its suppliers and undertakes the development of ESG (Environment, Social and Governance) improvements via initiatives piloted by the Procurement function with selected suppliers inside the Forestry, Agriculture, Chemicals, and Logistics sectors.

Ahlstrom relies on its Sustainable Procurement Steering – combining subject matter experts from the Procurement and Sustainability functions – to oversee the training of people, annual and long-term objectives, definition of KPIs (Key Performance Indicators), and to promote sustainable supplier reward schemes.

This steering group meets monthly and is responsible for implementing this policy and reviewing ESG procurement activities. This steering is under the supervision of the Heads of Procurement and Sustainability.

This policy is annually revised; adjustments are based on Sustainable Procurement Steering recommendations.