

Purify and Protect

2022

SUSTAINABILITY REPORT

 **AHLSTROM**



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# Purify and Protect

Ahlstrom is uniquely positioned as a global leader in developing a wide range of sustainable and technically advanced specialty materials. Our product offering consists of renewable materials that – through their functionality – offer sustainability benefits that contribute to solving sustainability challenges the world is facing.

## Protecting people and planet

One of the company's strategic directions is to propose alternatives to plastic solutions and to increase the sustainability of its products by using renewable and bio-based raw materials, while maintaining the product's lifespan and without compromising its functional properties.

Scientists, policymakers, and the public are increasingly concerned about plastic pollution and its potential impact on the environment and human health. Plastic particles have been found almost everywhere. Not surprisingly, particles have even found their way into the human body.

To tackle this issue, Ellepot and Ahlstrom teamed up with bio-binder supplier OrganoClick to develop a unique Ellepot paper designed for plant propagation. The result was a 100% biobased, and biodegradable in soil paper called "Organic 2.0" that is made into paper pots on an Ellepot machine. Ellepots made with Organic 2.0 has a degradation time of 6-8 weeks, where the paper degrades completely in the ground. Thanks to years of research and collaboration across the value chain, the Ellepot Organic 2.0 paper offers the most sustainable solution yet in the agriculture industry.

# Highlights 2022



## DIVESTMENT OF THE DECOR BUSINESS

The Decor business was sold and we now own 25% of that business. Since the merger in 2017, Ahlstrom has actively developed the Decor business into a leading global player. Based on our assessment of the best business portfolio, increased focus will support the separate companies to achieve further sustainable growth and profitability. Since the Decor business is best known as Munksjö, it was a natural step to change the company name to Ahlstrom.

## PLATINUM RATING

Ahlstrom was awarded EcoVadis highest level of recognition, Platinum, for the company's sustainability performance, which demonstrates the company's commitment to responsible business practices.



## SUPPORTING LOCAL COMMUNITIES

Ahlstrom has a long history of supporting the local communities where we operate. During the year, eight local community projects were selected based on potential impact, meaningfulness and geographic or regional diversity. For us, social responsibility is about creating even stronger bonds with our employees and the communities around us.

## INNOVATION

Our strategic ambition is to become a world leader in combining fibers into performance materials that Purify and Protect. In 2022, an innovative heat-sealed paper, PurposeSeal™ was launched that guarantees quality and protection for a variety of packaging solutions and is certified as recyclable when applied to Ahlstrom's Cristal™ transparent paper products. Achieving a strong seal with heat alone removes waste and chemicals from the process and meets the growing consumer demand for products with a positive end-of-life story.



RECORD **3.3** BN IN SALES

Both net sales of EUR 3.3 billion and comparable EBITDA of EUR 440 million were record high, driven by benefits of our transformation related initiatives in procurement and operations, as well as commercial capabilities.

1.5°C  
FUTURE

Ahlstrom has committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi. Based on the SBTi criteria the company estimates that it will require a reduction of 38% in absolute Scope 1 & 2 emissions by 2030 from a 2021 base year. An important step in this direction was the decision to invest in new boilers at the Mosinee and Rhinelander plants which will reduce the plants' carbon footprint by an estimated 20% and 14% respectively.

## YEAR IN BRIEF

# CEO word

With my background on Ahlstrom's Board of Directors and as newly appointed President and CEO, I look back on a successful 2022.

During the year, Ahlstrom made good progress on its transformation journey. The company set more ambitious targets and increased the pace of execution. The goal is to bring Ahlstrom to its full potential with the vision of becoming the Preferred Sustainable Specialty Materials Company.

Our transformation journey started in 2021 with the assessment that Ahlstrom can do better and has a role to play in addressing the sustainability challenges facing the world. Building on its rich know-how and advanced technology, Ahlstrom has long since harnessed the versatility of fibers and put them to work in products and applications with improved sustainability performance.

### A unique starting position

Ahlstrom is uniquely positioned as a global leader in a wide range of sustainable and technologically advanced specialty materials. Our products and solutions are mainly made from

renewable materials and through their functionality, they offer sustainability benefits that are of great value to our customers.

Building on this gives us tremendous opportunities to contribute to solving the sustainability challenges by working together with our customers and partners and using our extensive innovation capabilities to design upfront sustainable solutions.

I am particularly pleased that performance improvement initiatives related to transformation, continued to deliver strong results in 2022. A higher level of performance, through capability building and leveraging scale, was established as an opportunity at the outset of this journey.

As a resource-intensive industrial player, we are fully aware of our responsibility to improve our environmental performance both in the business and in the supply chains. In this area, Ahlstrom was awarded EcoVadis' highest recognition level, Platinum, for its sustainability performance. It is an improvement from Gold level rating, which we were previously rated since 2019. Our score increased especially in Environmental performance and Labor & Human rights.



**"Our specialty materials and innovation power make us more relevant than ever for our customers and partners, offering us an excellent foundation for the next phase of sustainable growth"**

### Building a better Ahlstrom

Thanks to our good progress in the transformation, we decided to raise the bar and accelerate the pace towards a more sustainable future. We have set higher ambitions for growth, sustainability and innovation. Our strategic ambition is to be the global leader by 2025 in combining fibers into performance materials that can purify air and liquids and protect people, products, and the planet. To our external stakeholders, our purpose describes the value we create and underlines Ahlstrom's relevance in society, but purpose is just as important to us internally. It is something we gather around, and it motivates us. It helps us attract and retain talent with the right mindset, while supporting us to articulate the ongoing transformation.

To align our innovation work with our purpose and increase the value of our innovation portfolio, we reorganized management and processes. We took steps to improve synergistic collaboration, retargeted the group portfolio towards disruptive technologies and new market opportunities, and focused more on priority technologies. We also reinforced our innovation capabilities by increasing R&D capacity, broadening the academic network, and deepening industrial cooperation.

During the past two years we have reviewed the individual businesses and redefined the business platform. We have analyzed which processes the operations share and which processes benefit our common business platform offers. As part of this reassessment work, we have placed additional emphasis

## “We are accelerating the pace of strategy execution to build a better Ahlstrom for a sustainable future and capture the significant opportunities both to grow and improve profitability”

on key sustainability aspects and evaluated Ahlstrom's role. A more ambitious sustainability strategy with corresponding targets was also launched. To effectively carry out the work in accordance with the sharper strategic focus, a tailored operating model and a new reporting structure were also implemented.

### Resilient business performance

In 2022, our resilience was once again tested when major geopolitical and macroeconomic events rocked global markets and negatively affected the business environment, with increased uncertainty as a result. Input cost inflation soared and was higher than in decades, and the risk of gas supply disruptions was imminent. Consumer confidence also declined during the year, leading to reduced customer activity and lower deliveries during the second half.

The company responded well to the uncertainty, developing strong pricing and commercial excellence capabilities. To reduce exposure to potential gas supply cutbacks and the ensuing risk of production disruptions, we decided on investments in alternative energy technology at several of our plants. Gradually the strain on the supply chains for raw materials and the availability of transportation eased, however at the beginning of 2023 the visibility on economic outlook remained limited.

### Intense period of change for employees

To stay connected with our employees during this intense period of change and to improve the way we work together, regular surveys were conducted. While I am very pleased that the overall results were positive, and the Employee Net Promoter Score improved from last year, there is still room for improvement to become one of the best employers. Our continued progress in these areas is critical to our long-term success.

The successful year we have behind us would not have been possible without the trust from our customers and committed employees. During my first months as CEO, I have tried to meet as many of you as possible around the world. I am impressed by the competence and commitment. Above all, it is our advanced fiber-based materials and our innovation power that make us more relevant than ever before and offer us an excellent foundation for our next phase of sustainable growth and transformation.

### Helen Mets

President and CEO

# COMPANY



JUMP is our strategy-based leadership development program for building awareness and competence. Sixteen talented and committed colleagues attended the program in 2022 to learn, grow, and reflect in a nurturing environment for leadership development.

## ESG integrated into compensation

Ahlstrom strives to achieve sustainable business success by recognizing and rewarding strong performance and behavior consistent with the company's values. It has a short-term incentive plan to drive the execution of the strategy in line with key financial and operational priorities. The plan covers approximately 1,200 Ahlstrom employees.

Our employees, their health and safety, and the environmental performance of our operations are important success factors. Therefore, we have developed targets and incentives that also include CO<sub>2</sub>e emissions, Total Recordable Incident Rate as well as efforts relating to Diversity, Equity & Inclusion and improving our Employee Net Promoter Score.

While aiming for long-term business growth, we have set a target of reducing CO<sub>2</sub>e emissions by 38% by 2030, in line with science-based measures to mitigate climate change. We are also working towards an injury-free workplace and have set a target to reduce the Total Recordable Incident Rate by 24% by 2025. Furthermore, we have set a goal to be in the top 25% of companies in our peer group for Employee Net Promoter Score by 2027.

## THE COMPANY

# This is Ahlstrom

Ahlstrom is a global leader in combining fibers into sustainable and technical advanced specialty materials. We serve five growing and distinctive end markets, which form the basis for our five divisions: Filtration, Food & Consumer Packaging, Healthcare, Building Materials, and Technical Materials.

**38** plants and converting sites in 13 countries

**7,000** employees, representing 54 nationalities

**5,000** customers in over 100 countries

NET SALES EUR **3.3** BILLION

47% AMERICAS

39% EUROPE

14% ASIA

COMPARABLE EBITDA **440** MILLION



### What we do

- We combine fibers with our know-how and advanced technology to deliver high-performance specialty materials for a wide range of applications
- Our value proposition is based on innovation, quality and service
- We have a culture of co-creation, designing solutions in close collaboration with customers and partners
- Our offering contributes to a more sustainable everyday life by providing renewable materials and solutions with sustainability benefits

### Our approach

- Broad portfolio of niche businesses, operating in growing markets
- Leading position in most of the segments, with an ambition to drive decarbonization and circularity
- Balanced geographic exposure to a wide range of consumer and industrial end uses
- Common operating platform, providing scale, synergies and excellence

### Key facts

- Global network of sales offices, 38 plants and converting sites, and two R&D centers in 13 countries
- Approximately 7,000 employees
- More than 5,000 customers in over 100 countries
- Net sales were EUR 3.3 billion and comparable EBITDA EUR 440 million
- Privately held since February 2021
- Head office in Helsinki

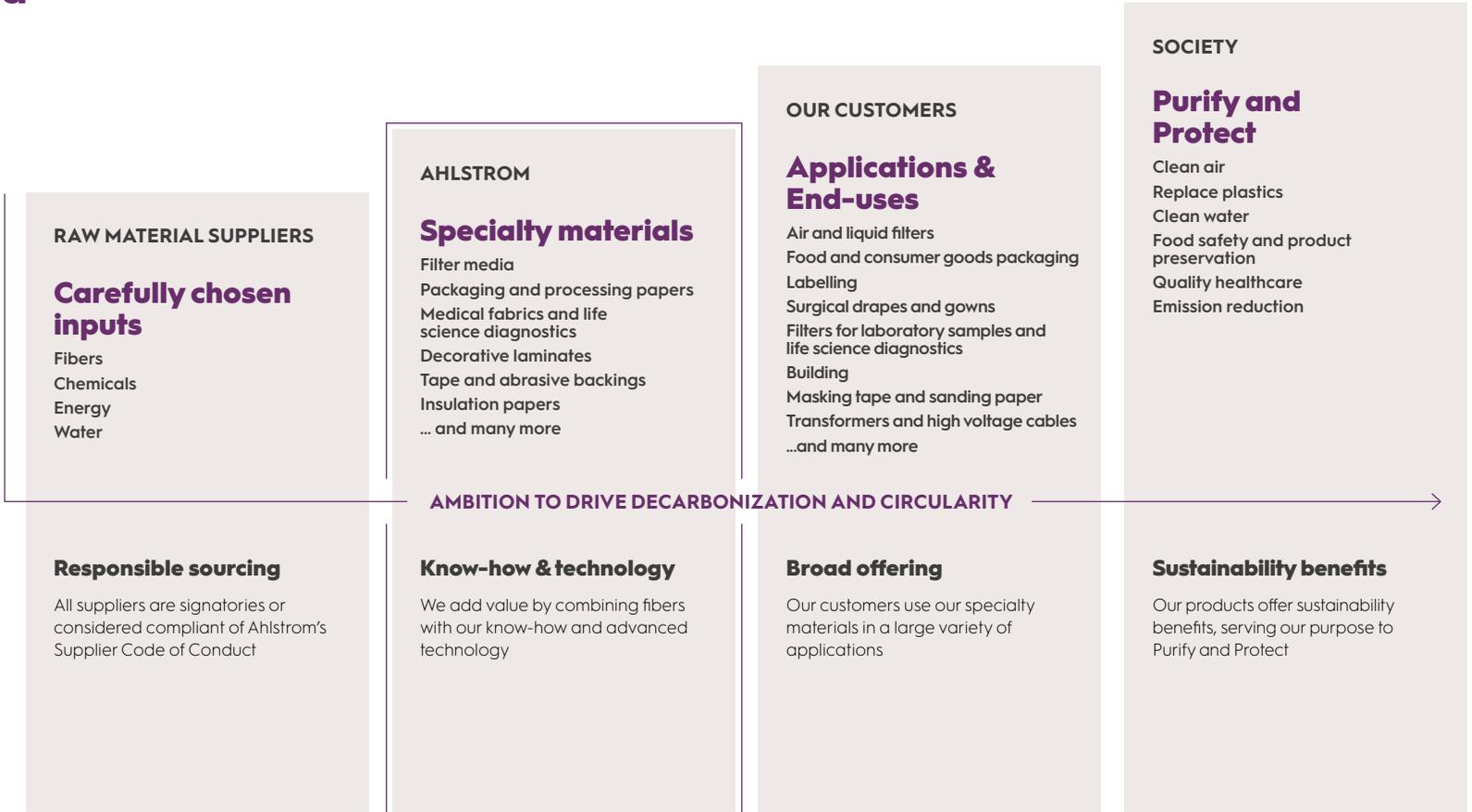
# We develop fiber-based specialty materials for a sustainable world

## Working to limit footprint and grow handprint

Ahlstrom plays an important role in the value chain. As a producer of high-performance materials we create value by adding know-how and advanced technology to fibers that we ensure are responsibly sourced. In close partnership with our customers we develop fiber-based specialty materials that often perform vital functions in the value chains and have a positive impact as part of the end product or solution.

## Know-how, technology and partnership are at the center of our value creation

We deliver a clear value proposition for our customers that is based on material performance, quality and customized service. Our customers use our solutions in a large variety of everyday applications within a broad range of end-uses that are underpinned by fundamental business drivers in today's society.



## THE COMPANY

# Trends in our environment

A growing number of factors and trends are affecting and changing Ahlstrom's increasingly complex operating environment. These trends create both opportunities and challenges, some in the short-term and some in the long-term, and their impact varies from business to business.

The accelerating pace of change demands resilience and the ability to adapt. It is more important than ever to identify crucial factors and trends, and then make the right priorities in product development and strategy to remain relevant.

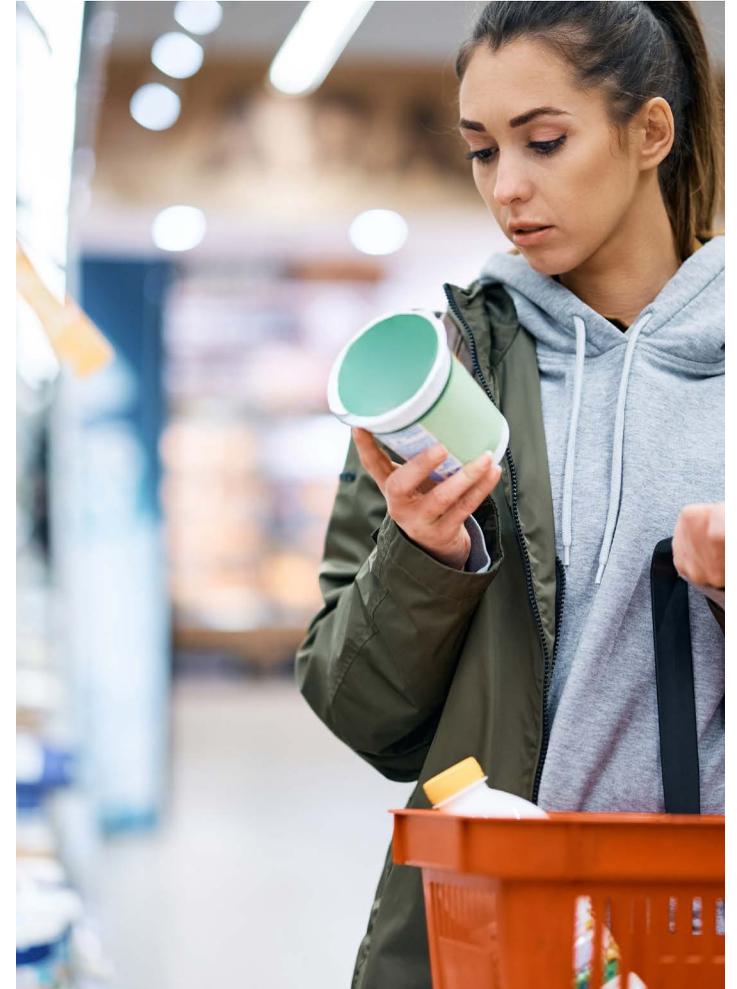
Since Ahlstrom manages a broad platform of businesses and serves a wide range of end uses, it is not likely to be significantly affected at a Group level by individual factors or specific trends. These can however be of great importance for an individual business.

To stay in tune with changing market conditions, the Group monitors several shared factors in the operating environment. Each business has its own commercial strategy, taking specific trends relevant to its unique market into account. In product

development, the Group takes the lead in prioritized technologies to adapt the work to our purpose and increase the value of our innovation portfolio.

## Sustainable and circular economy

The shift towards a sustainable and circular economy, reducing the reliance on fossil-based materials, is a megatrend which impacts and drives us forward on many levels. There is a growing trend to address the increasing amounts of packaging waste causing environmental problems and too many of our resources being wasted without being reused or recycled. The desire to replace plastic with renewable materials, and to find recyclable or compostable solutions for increasingly demanding end uses, provides growing markets for products such as vegetable parchment cooking and baking paper, and tea bags and coffee capsules made from compostable fiber materials as well as packaging paper with barriers compatible with recycling. In fiber-based packaging, barrier functionality is a key factor for a wider exchange of non-renewable materials, enabling improved circularity and ultimately better environmental performance of





packaging systems. The entire supply chain has responded to the consumer desire with recyclable packaging initiatives to meet the growth.

#### High-performance products

Our products often perform vital purposes in value chains and can have a positive impact as part of an end product or solution. Our high-end filtration solutions enable longer uptime for gas turbines and power plants and a safer and cleaner indoor environment. Automotive filtration solutions reduce air pollutants, and significantly reduce the need for changing the filter, due to the product's durability and multilayer technology. Water filtration products using our proprietary technology can reduce the demand for bottled water by improving tap water and thus helping to achieve a significant positive end impact on the environment thanks to lower plastic waste and CO<sub>2</sub>e emissions.

#### Climate mitigation and adaption

At the same time, Ahlstrom is part of a resource-intensive manufacturing industry, and costs and availability of raw materials and energy affect our performance. Potential water shortages due to climate change, the need for sustainable

## Barrier functionality is key for wider replacement of non-renewable materials, enabling improved circularity and ultimately better environmental performance

forestry practices and the extensive use of chemicals in our industry are issues we address in our strategy. Contributing to the climate agreement from Paris Climate Agreement requires an energy transition, which we are committed through science-based measures to mitigate climate change. Water shortages can occur in densely populated areas and during periods of low rainfall. Sustainable forestry is essential for combating climate change and conserving biodiversity, and it provides many ecosystem services. The issue of chemicals keeps growing in prominence as consumers and brand owners are looking for reduction or elimination of harmful chemicals and increased supply chain transparency. In many cases, this provides opportunities as advanced technology and demanding product features work to our advantage. Our offering includes, for example, paper solutions free from formaldehyde, petroleum-based ingredients, and fluorinated resins.

#### Change in consumer behaviour

Digitalization, driven by information and communication technologies, is fundamentally changing economies, business and even societies. There is uncertainty about how this will affect jobs and wages as well as consumer preferences. It is instrumental

## Demand for energy storage is expected to grow significantly driven by a transition to renewable energy and the electrification of mobility

in increasing transparency and facilitates a rapid spread of the latest trends and preferences as well as a sharper sustainability focus worldwide. For the manufacturing industry, it also provides resource optimization opportunities. Businesses have provided collaborative applications already for years, while the “work from home” needs generated by the pandemic created a hyper-acceleration in adaptation. Retail has been dramatically affected. Street businesses providing products and services on the spot were already in decline before the pandemic due to the rise of e-commerce. The impact e-commerce has had on consumer buying habits is that consumers can shop anywhere at any time, which has up until now driven packaging and product marking and labeling.

### Electrification of mobility

Electrification is rapidly changing society. It is the fastest growing source of energy, and it plays a crucial role in the goal of net zero emissions by 2050. Electrification offers growth opportunities for several of Ahlstrom’s businesses. The electrification of vehicles is gaining momentum and is affecting one of our large customer segments – the transport industry – where new types

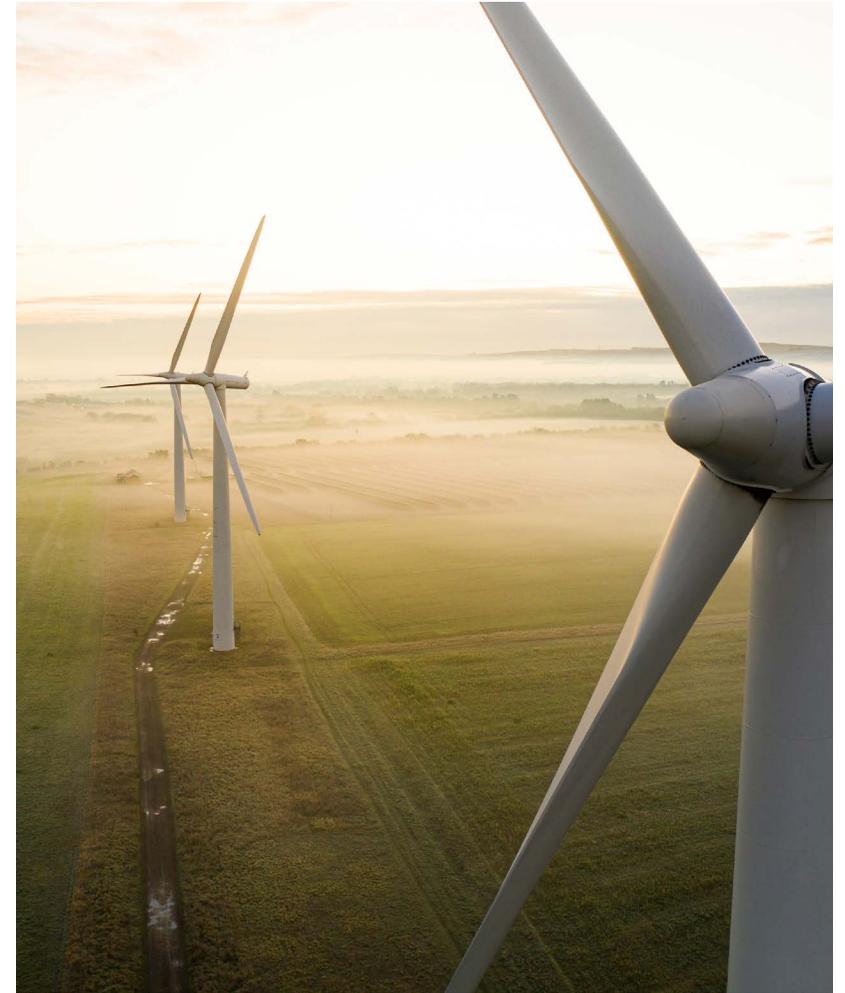
of filtration solutions are needed for batteries and battery cooling, cabin air conditioning and transmission. Demand for energy storage is expected to grow significantly, driven by a transition to renewable energy, which will increase demand also for stationary energy storage applications as well as efficient power grid infrastructure, areas where our products also play an important role.

### Globalization

Increased global interaction and integration between people, businesses and economies worldwide is driving the growth of international trade and the exchange of ideas and culture. Strong global economic growth has increased the purchasing power of large sections of the population and given rise to a rapidly growing global middle class. This reinforces consumption and demand for consumer goods that were previously out of reach for large sections of the population in emerging economies.

At the same time, the business landscape has changed with intensified industrial competition and companies from China taking a larger share of the global market. Tensions around trade, technical standards and security have increased. Relations between China and its geopolitical rivals have deteriorated. Russia’s invasion of Ukraine has exacerbated the economic fallout from the pandemic, disrupting supply chains and driving up inflation.

Ahlstrom’s business and market situation has remained quite much the same, although the risk of geo-economic fragmentation has noticeably increased. Ahlstrom is well-diversified and operates in many respects regionally, although it is truly global.



# STRATEGY



Together with bio-binder supplier OrganoClick, Ellepot and Ahlstrom developed a new Ellepot propagation paper that is completely biobased and biodegradable: "Organic 2.0".

## Ellepot and Ahlstrom teamed up to reduce plastic waste

Plastics can be found just about everywhere: the oceans, the atmosphere, the ground. Recent studies show that traces of plastics are also found within our bodies. For decades now, the agricultural industry has relied heavily on plastic, making this an important industry to focus on when it comes to reducing plastic waste. Ahlstrom and Ellepot has approached this challenge by co-developing a new line of sustainability-driven products for the agricultural industry, specifically propagation papers to replace plastic pots and plastic bags.

Based in Esbjerg, Denmark, Ellepot designs and manufactures integrated propagation systems, serving major greenhouses and growers across the agricultural industry. With Ellepot propagation paper being only one part of this integrated solution, their full 'Ellepot systems' - consisting also of custom-built machines, propagation trays, and service - offer an extended level of sustainability, as it enables growers to improve their overall efficiency and maximize their production yield, while lowering production costs compared to traditional growing methods primarily based around plastic pots.

Together with bio-binder supplier OrganoClick, Ellepot and Ahlstrom developed a new Ellepot propagation paper that is completely biobased and biodegradable in soil: "Organic 2.0". This new generation of plant pots degrade completely after 6 to 8 weeks in use. Thanks to years of research and co-development, Organic 2.0 offers the most sustainable pot solution yet in the agricultural industry.

STRATEGY

# Strategy for a better Ahlstrom

**Unique position to start from**

Ahlstrom is uniquely positioned as a global leader in a wide range of technically advanced fiber-based materials.

All businesses operate in growing markets with solid demand drivers and serve a variety of consumer and industrial end-uses, ranging from consumer goods, healthcare and life sciences, building, industrial goods, and transportation. Most of the businesses have a leading market position within their strategic niches.

Ahlstrom’s business is about fibers, combining them to high-performance specialty materials. Customer relationships are lasting and underpinned by collaborative product development to meet customer specific requirements for quality and functionality. Products are mainly made of renewable materials and through their functionality offer sustainability benefits that are of value to customers and the society.

**OUR VISION:**

**To be the Preferred Sustainable Specialty Materials Company**

**STRATEGIC TRANSFORMATION PROGRESSING**



## Strategic priorities and selected progress 2022

### Customer centricity & commercial excellence

- Strengthened organization and enhanced sales capabilities and skillset
- Improved customer engagement through new CRM system

### Technically advanced & innovative products

- New governance to align innovation pipeline
- Development of cross fertilization resources and taxonomy to strengthen innovation capabilities
- Deployment of a Product & Portfolio Management tool to advance innovation strategy

### Active portfolio management

- Divestment of the majority share of the Decor business

### Sustainability

- Commitment to 1.5°C climate target and science-based measures to mitigate climate change
- Investments in energy efficiency, emission reduction and waste reduction amongst others at Mosinee and Rheinlander plants

### Operational excellence

- Savings in procurement and operations

### People and Team

- New operating model and renewed values

### Building on a strong foundation

Attitudes have sharpened in society as the effects of climate change have increased. Going forward, significantly greater measures will be required to combat the consequences and reverse the trend. Consumers and legislation are driving the transition to a sustainable, mostly fossil-free and circular economy, impacting and driving us forward at a speed not seen before.

Ahlstrom has a relatively favorable starting position for the green transition by contributing to solving the challenges and taking advantage of the attractive business opportunities that the transition entails. Our knowledge, technologies and customer relationships will play a central role in the positive impact we create. However, it will require that we also adapt our business model, make sustainable priorities and above all become better on all levels to ensure our future competitiveness. In 2021, we embarked on our transformation journey to build a better Ahlstrom and become a consistently purpose-driven company.

The transformation is in its second year. We have reviewed the individual businesses and redefined the desired business platform based on specific criteria. We have analyzed which processes the business shares and which processes our common

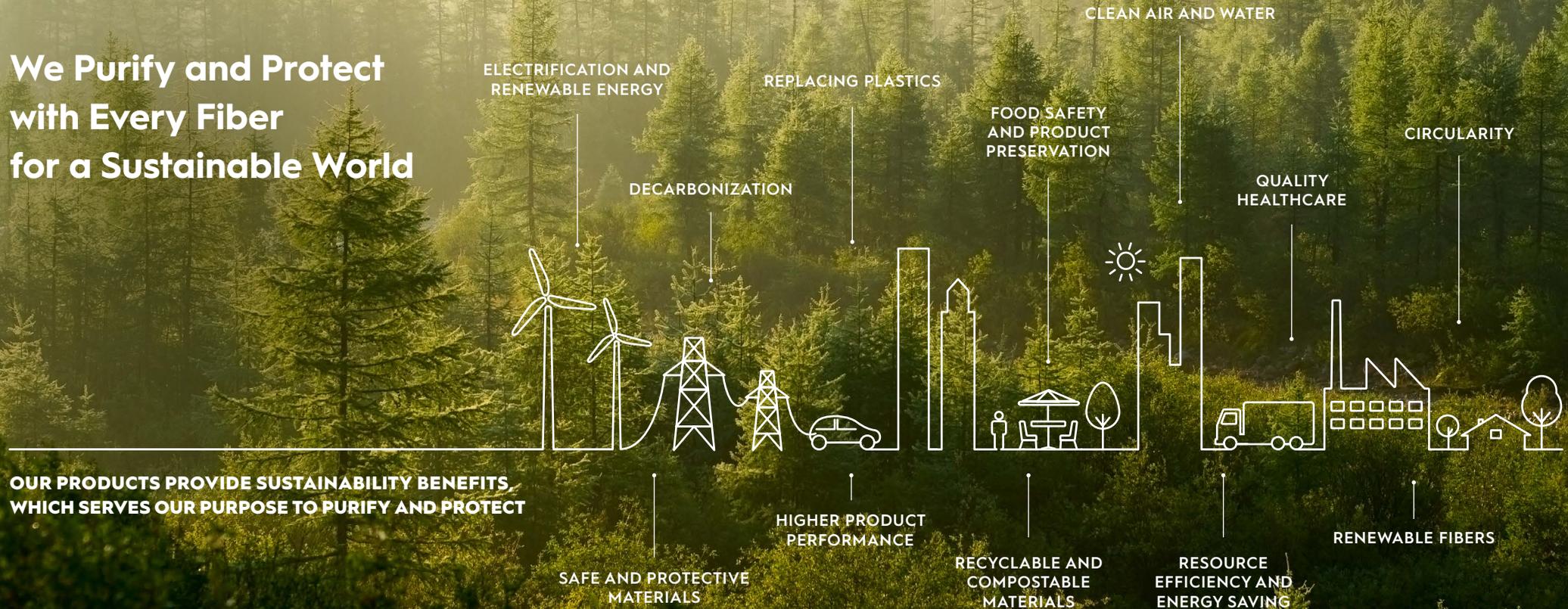
platform offers. As part of this reassessment work, we have placed additional emphasis on important sustainability aspects and strengthened our capabilities in strategically important areas, both through new recruitments and closer cooperation in priority coalitions.

The reassessment resulted in a sharpened strategic focus and an ambition for 2025 to be a leader in combining fibers into high-performance materials that serve our purpose. Going forward we focus increasingly on businesses with high added value and high growth. We will continue to manage a broad and resilient portfolio of attractive niche businesses. The businesses will be managed with enhanced capabilities and knowledge, efficient processes, and a tailored operating model. By achieving our ambition, we will be the preferred company in the industry by customers, employees, local communities and investors.

Ahlstrom serves five growing and distinctive end markets, also forming the basis for its five divisions. A Chief Operating Officer function has been established to provide businesses with enhanced support and services and capture synergies.

Our strong foundation, our purpose and vision form the basis for our six strategic priorities and sustainable long-term value creation for our stakeholders.

# We Purify and Protect with Every Fiber for a Sustainable World



**OUR PRODUCTS PROVIDE SUSTAINABILITY BENEFITS,  
WHICH SERVES OUR PURPOSE TO PURIFY AND PROTECT**

# Ahlstrom serves five growing and distinctive end markets

## NEW OPERATING MODEL AND REPORTING STRUCTURE

As of July 2022, Ahlstrom implemented a new operating model and reporting structure to effectively carry out the strategy. The new operating model brings further clarity to the roles and responsibilities, simplifies the organizational structure, and speeds up decision making. The Group manages its businesses with shared global functions and centers of excellence for scale and synergies. Each business is accountable for its operational and financial performance. Based on end-market focus, Ahlstrom operates under five divisions and reporting segments; Filtration, Food & Consumer Packaging, Healthcare, Building Materials and Technical Materials.

## Shared global functions and centers of excellence for scale and synergies

### FILTRATION

Mission-critical air and liquid filtration materials.

- Filtration

### FOOD & CONSUMER PACKAGING

Materials for improved food safety, product preservation, and bacteria prevention, helping extend product life and protect human health.

- Food Packaging
- Parchment
- Beverage & Casing
- Release Liners

### HEALTHCARE

Materials serving essential societal uses in medical, laboratory, and life science settings including diagnostics, bioprocessing, and medical performance barriers.

- Lab & Life Science
- Medical

### BUILDING MATERIALS

Highly engineered protective building material applications for every face of the building.

- Glass Fiber Tissue
- Abrasive
- Nonwovens

### TECHNICAL MATERIALS

Highly technical applications including protective materials such as insulation, precision coating, tape, and others.

- Protective Materials
- Precision Coating
- Tape

# BUSINESS

Europe is embracing the shift to zero-emissions mobility by ending the sale of new CO<sub>2</sub> emitting cars in Europe by 2035. The agreement is a clear signal to manufacturers to accelerate production and sales of low- and zero-emission vehicles and put road transport on a path to climate neutrality by 2050.

## Reducing reliance on fossil fuels

Electrification is rapidly changing our society. Electricity is the fastest growing source of energy and electric vehicles play a critical role in meeting environmental goals by reducing reliance on fossil fuels and by reducing air pollution.

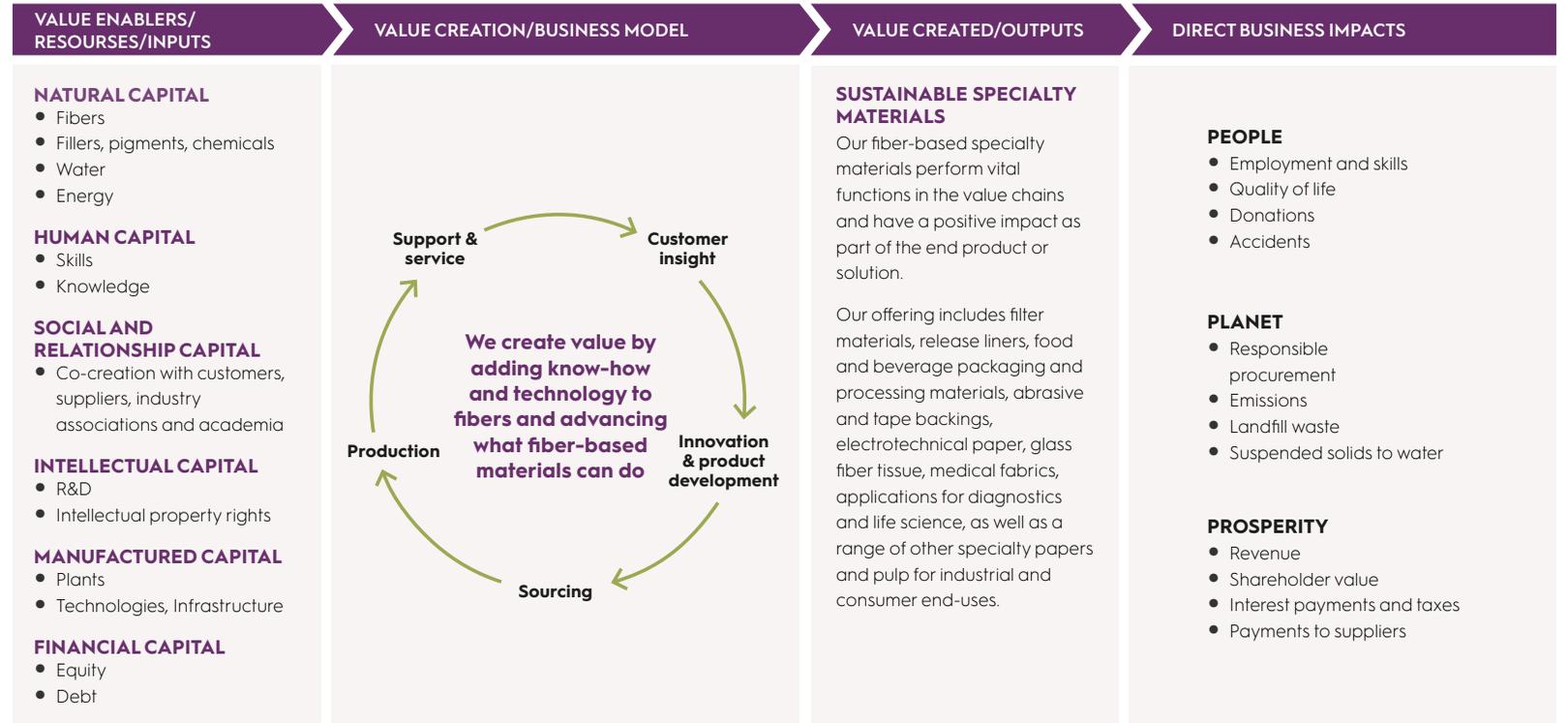
Electrification is a key strategic theme for Ahlstrom. The company provides the market with the broadest offering of high-performance fiber-based materials for electric vehicles. Its current offering includes separation solutions for lead-acid and lithium-ion batteries under the brand Forticell<sup>®</sup>, as well as filtration solutions for cabin heating, ventilation and air conditioning, battery cooling, and transmission under the brand FilteV<sup>®</sup>. Recently, Ahlstrom has expanded its portfolio of air filtration media for the fuel cell air intake. High air purity is an essential element of the performance, reliability, and lifetime, of the fuel cell unit. To support this launch and further development, Ahlstrom has also invested in a tailor-made testing bench to assess gas filtration performances.

## BUSINESS

# Value creation

Ahlstrom's ambition is to create value for all stakeholders – customers, investors, employees and communities. By engaging the resources, we have available in the most efficient and sustainable way possible, we create specialty materials and solutions that deliver true value to our customers and the society. At the center stand Ahlstrom's dedicated and skilled people that make intelligent use of the raw materials we use, combining them with our know-how and experience and advanced technologies and agile manufacturing platform. A constant and relentless pursue of improvement and innovation allows us to push the boundaries for what fibers can do and how they can be employed in new and more sustainable and innovative materials to meet new customer demands.

## VALUE CREATION – OUR VALUE CHAIN





# Natural Capital

**Ahlstrom is a resource-intensive industrial company and has therefore a particular responsibility to improve environmental performance throughout its operations and supply chains.**

We strive for continuous improvement in several areas, including minimizing the environmental impact of the supply chain, making efficient and innovative use of raw materials, reducing energy and process water, as well as waste and CO<sub>2</sub>e emissions linked to our manufacturing footprint.

Responsible management of raw materials is of considerable importance for the company's profitability given its considerable share of total costs. The price volatility of the raw materials can have a short-term impact on profitability, while a careful selection of raw materials used is of greater importance in the longer term.

Our key operating criteria for the management of our raw materials are competitive total cost of ownership, security of supply, category management as well as governance and compliance. Procurement is managed in accordance with the daily requirements and aligned with the company's strategy, while in the long term, it strives for a sustainable competitive advantage for the business.

In 2022, the business environment was affected by shocks and increased uncertainty. Input cost inflation was the highest in decades, and the risk of gas supply disruptions in Europe was imminent. Although the situation gradually eased, the availability of some raw materials, transport and labor was constrained for

much of the year. To reduce our exposure to possible gas supply interruptions and the risk of production interruptions, Ahlstrom initiated capital investments in alternative energy technologies. We have also reviewed our supplier network to reduce the risk of potential shortfall in important inputs stemming from possible reduction of Russian gas. The soaring input cost inflation was successfully offset by significantly higher selling prices and measures that have improved variable cost efficiency.

Despite our broad product offering and extensive operating platform globally, we managed the volatile environment well and our manufacturing has suffered only slightly. Consumer confidence, which by the end of the year had fallen to its lowest level since the financial crisis, led to lower spot prices for some inputs at year end.

## Supply chain

Ahlstrom uses a wide range of raw materials, energy, and water in its global operations. The company is committed to ensuring that these are responsibly sourced and consumed with lowest achievable environmental impact given the current technological and economic circumstances. In this context, sustainability also includes sourcing in the most cost-efficient way to secure the company's long-term financial health and prosperity.

Ahlstrom works with a large number of suppliers to ensure diverse and high quality inputs needed to create its portfolio of fiber-based specialty materials. The largest procurement categories are managed globally, and we strive to increase the regional procurement. Centrally managed activities create

**In 2022, the certified share was 98% of the total volume of natural fiber**

conditions for better service and lower costs. Fewer suppliers imply less administration and allow improved compliance.

The most important raw materials include fibers, particularly wood pulp, manmade fibers, as well as chemicals, water, and energy used in the production process. The company also uses indirect suppliers, such as utilities, transportation services, and equipment providers.

To deliver its customers truly sustainable specialty materials, Ahlstrom expects its suppliers to uphold high standards for ethical and socially and environmentally responsible business practices and that they work toward similar sustainability targets as the company. Ahlstrom is in the process of updating its expectations towards suppliers and in this process CO<sub>2</sub>e emissions have been identified as one of the key parameters. Sound procurement practices also mitigate business risks for Ahlstrom’s customers and investors.

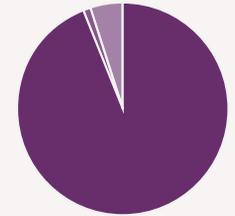
Ahlstrom employs a rigorous vetting and evaluation process for all types of suppliers to ensure that they meet the required standards. The risk evaluation is performed annually by the category managers or buyers. Suppliers are evaluated across eight sets of parameters including production and financial risks, logistics risks as well as Corporate Social Responsibility parameters. The framework is defined by Ahlstrom’s Supplier Code of Conduct which establishes clear, non-negotiable minimum requirements related to legal compliance, human rights and the prevention of child labor, health and safety, responsible business practices, environmental impacts, and transparency. Ahlstrom expects that all new suppliers signs its Supplier Code of Conduct or otherwise that they can be considered compliant.

For 2030, the target is that all suppliers are signatories or considered compliant. Based on spending and suppliers with spending above one million euro annually, 92% (93) of fiber supply, 91% (91) of chemical supply, 63% (59) of the energy supply and 37% (34) of the indirect supply were compliant. Comparative figures also include suppliers with spend below one million euro.

As part of the company’s long-term supplier development, a uniform vendor onboarding process was established during the year for all categories globally. From now on the onboarding process and supplier management are supported by a new digital portal, which increases transparency and makes it easier to set goals and manage follow-up. Also, existing suppliers are prompted to sign the Supplier Code of Conduct when onboarding the portal. Solid onboarding underlines the importance of accountability and that Ahlstrom expects the business relationship to be mutual, which is an important prerequisite for successful long-term supplier management.

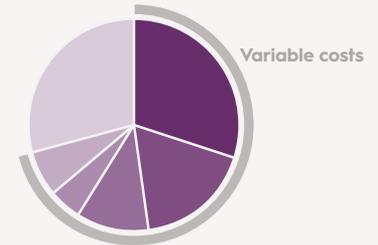
The group conducts a regular dialogue with its suppliers and has systems for risk assessment. Typically, increased risk is associated with certain geographies or lack of transparency. Corporate Social Responsibility audits are carried out either by Ahlstrom or with the help of third parties. In 2022, a sustainability audit was carried out and, at the end of the year, three suppliers remained that could be associated with increased risk. The plan is for these to be reviewed in 2023. Work began to renew and further improve the processes for risk assessment and management at supplier level.

**FIBERS USED IN AHLSTROM'S SPECIALTY MATERIALS, 2022 (VOLUMES)**



- Pulp, 94%
- Other renewable fibers, 1%
- Synthetic fibers, 5%

**OPERATING COSTS, 2022**



- Fibers, 30%
- Other raw materials, 18%
- Energy, 11%
- Transportation, 5%
- Other variable, 7%
- Fixed costs, 29%

## Fibers and chemicals

Ahlstrom is using fiber-based raw materials to deliver excellent product performance tailored to specific applications for which the company is renowned. In the forest fiber supply chain Ahlstrom has policies in place to ensure sustainable forest management and fiber production practices. The basic premise is that all forest fiber-based raw materials are purchased as certified or as a minimum controlled wood for sustainable forest management. Ahlstrom carries out an annual due diligence system to ensure the compliance with the regulations. The system is audited by third party and complies with the requirements of SGS wood legality assessment, which covers main legislations; EU Timber Regulation (EUTR), US Lacey Act, and the Australian Illegal Prohibition Regulation. In addition, our plants have third party audited Chain of Custody certificates FSC™, PEFC™ and SFI™. All certifications can be found from Ahlstrom webpages. In 2022, the certified share was 98% of the total volume of natural fiber. The Group's target is for 100% to be certified by 2030.

In 2022, renewable fibers constituted 95% (96) of the total fiber volume. The decrease is due to an adjustment in the categorization of annual fibers. Man-made fibers and various coatings make up a smaller portion in terms of volume for Ahlstrom, but they play a vital and integral part in many of our products. Man-made fibers are sometimes required for products to achieve the performance needed by customers. In many cases they contribute to the efficiency and lifespan of the end product and thus help reduce their environmental impacts. Some of the man-made fibers are plastics, for which Ahlstrom is working on finding alternatives and increasing the sustainability of its products by using bio-based raw materials instead. Ahlstrom has also,

as part of its plan to move towards circular economy, identified opportunities and tested manmade fibers sourced from recycling processes.

Besides fibers, chemicals are a large raw material category used by Ahlstrom. They are used in the production to deliver functionality and performance. Regulations on chemicals are being monitored in all business to move towards applications which are more sustainable. These efforts are driven both centrally in our Group Innovation function and in our businesses in close cooperation with suppliers and customers. In many instances Ahlstrom reacts in advance of regulations and standards coming into force.

## Energy, water, and waste

In addition to raw materials, Ahlstrom's manufacturing facilities use energy and water in the production process of fiber-based specialty materials. Through operational excellence initiatives, the company strives to reduce energy consumption, water, and the amount of waste. Local permits and regulations set the limits for emissions, noise, and other impacts on the environment.

In order to make development comparable, Decor business has been excluded from both the 2022 and 2021 figures.

## Energy and CO<sub>2</sub>e emissions

Ahlstrom uses a wide range of energy sources, and energy consumption is the primary source for the company's CO<sub>2</sub>e emissions. Approximately two thirds of the company's energy consumption is based on fossil fuels and one third on renewable sources. Of the total energy consumption, about one third is generated onsite, while the remaining two thirds are purchased



externally. Fuels used include fossil such as natural gas and coal, and renewable fuels like bark, fibers from the water effluent treatment process and, black liquor. Electricity is sourced primarily from external suppliers, but it is also generated internally in some manufacturing sites. Ahlstrom responds proactively to an evolving regulatory environment. As part of its more ambitious sustainability agenda, it has committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi. To achieve the target,



we have plans to reduce emissions by 38% in the period 2021 to 2030 and achieve net zero emissions by 2050 by the latest. We will start the process of submitting and validating the targets by the Science Based Targets initiative (SBTi).

Based on a study in 2020 on energy use and efficiency, and an Environmental, Social & Governance diagnostic in 2021 identified more than 300 initiatives, a roadmap to reducing CO<sub>2</sub>e emissions. Key components in the plan are to replace the use of coal with natural gas and biomass, and increase the use of renewable electricity and other low-carbon energy sources.

The plan is progressing well, and we stopped using coal at two sites in the past year. Scope 1 carbon dioxide equivalent emissions decreased by 10.6% to 1,184 (1,324) thousand tons in 2022 compared to 2021. Scope 2 emissions decreased by 3.4% to 500 (518) thousand tons and the decrease is a result of an increased share of energy from third-party vendors, and lower production. Scope 1 and 2 emissions in kilo of CO<sub>2</sub>e per ton of net production (paper and pulp) decreased 5.7% to 958 (1,016). Starting in 2023, we have decided to collect Scope 3 emissions.

Ahlstrom also strives for a continuous reduction in energy use per ton of net saleable product. In 2022, total energy use in millions GJ was 38.9 (40.0), a decrease of 2.7%. In 2022, the energy intensity (GJ per ton of net saleable product) remained stable at 22.1 GJ per ton (22.1). The positive impact of ongoing measures to reduce energy consumption was offset by weaker energy efficiency stemming from lower production. In addition, the share of energy-intensive products in the product mix increased.

### Water

Ensuring access to clean water for people and businesses, and a minimal impact from our operations on the surrounding environment and biodiversity is an important aspect of sustainability for Ahlstrom. Ahlstrom operates mainly in places that have good access to water sources, but also in some locations with potential water shortages. As part of its overall climate risk assessment, Ahlstrom is updating the water supply in the surrounding areas where the company operates. We have set a goal to have water management plans in place for all facilities by 2025. Operations in potential water stressed areas will be prioritized.

Ahlstrom's ambition is to reduce the consumption of water and has set as goal to lower the water intensity ratio to an average water intake of 60 cubic meters per ton of net production (paper and pulp) by 2030. In 2022, the intensity ratio increased by 11.4% to 68.5 cubic meter per ton (61.5). The total water intake in million cubic meters increased to 120.5 (111.5) and was affected by the change in the product mix, which in turn was affected by a shift in customer demand. Ahlstrom is in the process of specifying and harmonizing the measurement of water consumption at all sites so that, in the future, we are able to provide the water net consumption by taking the water discharge also into account.

### Waste

Waste is an outcome of manufacturing products. Some waste is recoverable and used for recycling, but some amounts are either non-recoverable or non-recyclable. Currently in Ahlstrom we have two sites with zero waste to landfill, while certain locations have landfilled materials such as green liquor, ash, or sludge. At our locations, studies and collaboration activities continue to find alternatives for landfilled waste. We strive to prevent waste to landfill. Waste, which is defined as non-hazardous non-recoverable and hazardous, per ton of net production (paper and pulp) increased by 11.3% in 2022 to 76.1 kg per ton (68.4). In 2022, a total of 133.8 thousand tons of waste was generated, compared to 123.9 thousand tons in 2021. The increase was due to a specific event at one of the plants that occurs every ten to fifteen years. Adjusted for this event event, which generated 17,000 tons, the decrease was 5.7% and is due in part to increased recovery of sludge that is now converted to fuel for the boilers at one of the U.S. plants.

# Human Capital

**People are central to all aspects of sustainability work at Ahlstrom and an integral part of our long-term value creation. As an employer, we want to offer an engaging and safe work environment.**

We strive to create safe, engaging, and inclusive work environments, where people can learn, develop, and grow, and where they are treated and compensated fairly and given equal opportunities. Engaged people drive better business performance and customer satisfaction as well as innovation.

Excellent leadership is a prerequisite for high engagement, and we continue investing in leadership development.

We act as a responsible employer, and it is important for us to continue working closely with local communities. Trust and good relationships strengthen our company's image and attract talent with similar values and motivation for our common purpose.

## Culture of co-creation

Ahlstrom is represented by a diverse team of 54 nationalities. At the core of our business is combining fibers with our know-how and advanced technology to deliver high-performance specialty materials focused on customers' specific needs in a variety of industrial and consumer applications.

We have a strong culture of co-creation and mindset of continuous improvement. We constantly conduct research and innovate together with our customers, partners, and the leading

**By providing a safe and engaging workplace, we can deliver on our ambition to be the employer of choice**

actors in the value chain, to find new and more sustainable solutions. Product design often requires joint product development with customers and sometimes takes several years to develop, and it also involves high qualification requirements and rigorous certifications. Customer relationships are long-term and to be successful they must be mutual. In this context, Ahlstrom's engaged and skilled people play an important role in building trust and partnerships with leading stakeholders across the value chain.

## Efforts to build an engaging and safe workplace in 2022

- Implemented a new operating model
- Strengthened culture through renewed values
- Systematically analyzed and developed employee engagement
- Outlined DEI strategy and took related actions
- Broadened training and development opportunities
- Invested in preventative safety training



### New operating model for strategy execution

As part of the launch of the purpose and vision, Ahlstrom set higher ambitions for growth, sustainability and innovation. To support the new ambition and effectively carry out the strategy work a new operating model was implemented in July, 2022. The new operating model is about improving our ways of working, collaboration and sharing best practices while creating the conditions for continuous improvement. The key driver of the new model is clear business ownership and enhanced group functions for better collaboration with the businesses. In practice, the new model brings clarity to the roles and responsibilities and simplifies the organizational structure. It also accelerates decision-making and fosters enterprise leadership, enabling effective portfolio management.

### Strengthened culture through renewed values

Working at Ahlstrom means being part of a global community of around 7,000 employees in 13 countries. We have a strong corporate culture and sense of belonging. In 2022, we renewed our values as part of the overall transformation and adapted them to the new and higher level of ambition. While the renewed values are linked to the previous cultural cornerstones and build on our entrepreneurial culture, they also reflect the desired changes for us to succeed in our ambitious plans. Our values are the compass for our daily actions and guide how we lead ourselves, others in the organization, and the business.



#### OUR VALUES

**ACCOUNTABILITY.** We are accountable for the success of our business or function. We always hold ourselves and others accountable. We do the right thing and speak up. Our local business level accountability is a key cornerstone of our success as a business.

**GROWTH MINDSET.** We continuously challenge the status quo and strive to improve, both as individuals and collectively. While we are proud of the results we deliver, we are always on the want for more. We go beyond the obvious, proactively and with pace identifying business opportunities, innovation opportunities and continues improvement topics.

**ONE TEAM.** We always act for the best of the Company, putting the Company ahead of our individual Business Unit or function if a conflict occurs. We communicate openly and are collaborative.

**CARE.** We care for each other. We hold each other safe and look out for each other. We care about our planet, and for the communities we operate in. We care about the success of our customers and are mindful in how we operate.

## KEY PEOPLE STATISTICS 2022

About  
**7,000** employees  
We are truly a global and diverse company

**13** countries  
Our 38 locations are based across the globe

**54** nationalities  
Our people come from all walks of life

**19%** (18)  
of our workforce are women

**16** (9) eNPS  
Targeting top decile

**8%** decrease in TRIR  
Safety is our mindset

## Ahlstrom wants to be the employer of choice

### Employee engagement as a top priority

Employee engagement is a strategic objective, as Ahlstrom wants to become the employer of choice.

We aim to improve employee engagement in all levels of the organization, and to track progress in this area we use eNPS (employee Net Promoter Score). It reflects how likely employees are to recommend Ahlstrom as a workplace. The ambition for 2027 is to be in the top decile within the manufacturing industry.

In the employee survey conducted in 2022 the response rate reached 81 % (2021:76%) and eNPS improved to 16 (2021: 9) from the range between -100 to 100. Our result falls into the middle category in the manufacturing industry. While we saw improvement in the results, we still have a way to go to be amongst the top 10% companies (~45).

### DEI: Becoming a better Ahlstrom for everyone

We have high ambition for the coming years ahead to strengthen diversity, equity, and inclusion (DEI). A diverse community is a strength, it provides a broad perspective for problem-solving and developing creative solutions for greater success. We are strongly committed to build and maintain an environment and culture in which everyone feels valued and respected. At Ahlstrom, everyone should have equal opportunities to belong and reach their full potential.

In 2022, the main focus was on gender diversity. In 2022, we increased the share of women from all hires to 25% (22) and progressed in our four gender related targets. Furthermore, we

raised targets in the top leaders team and Executive Management Team (EMT). For the top leaders we have expanded the scope and thus adjusted the 2021 comparison figure to 20% from 25% previously. In January 2023, the share of women in EMT increased further thanks to the appointment of Helen Mets as President and CEO.

Our employees value a company culture that celebrates diversity and inclusion – and this is what future employees also look for. By encouraging diversity, we create a culture where everyone can be themselves and share their unique experience, knowledge and views for the benefit of the whole company.

Our definition for DEI is summarized in the picture:

### DIVERSITY, EQUITY AND INCLUSION IS A VITAL PART OF OUR COMPANY CULTURE AND DRIVEN BY OUR VALUES.



## DIVERSITY STATISTICS 2022 AND TARGETS FOR 2025

30% ——— our target is 40%  
women in EMT

24% ——— our target is 40%  
women from top leaders

22% ——— our target is 30%  
women from all managers

19% ——— our target is 20%  
women from all employees

25%  
of total hires were female in 2022  
compared to 22% in 2021

### NICE mentoring program for female employees

We also applied the DEI agenda to the NICE Mentoring Program (Nurturing, Inclusive, Collaborative, Equal) which targets female employees. As part of the program women's career opportunities were supported. Selected participants also get to work with experienced leaders as their mentors. Together they participate in workshops focused on DEI topics.

### Next steps in our DEI journey

In 2023 we will expand our DEI work by defining which other dimensions should be the focus areas going forward. At least LGBTQ+, migrant representation at Ahlstrom and women in Operations are amongst them and we are welcoming all Ahlstrom employees to join these DEI resource groups and take part of this work to define together the next DEI dimensions.

### Continuous learning drives performance

Continuous learning and personal development are important aspects for Ahlstrom. We strive to have the most capable and committed team of experts who are motivated to develop their skills according to rapidly changing needs. Learning and personal development are closely related to our values: We need to have Accountability and Growth mindset to continuously develop our knowledge, skills and capabilities regardless of where we work in the organization. Similarly, Ahlstrom's employees need to be offered support through learning opportunities for professional development. Ahlstrom's Human Resources team is leading the work and tracking our progress.

In 2022, we broadened the learning content and provided access rights to all plant workers in the company wide



LearningHub platform. The platform can be accessed anywhere, anytime, and improves the way we deliver timely training. In 2023, we plan to update the onboarding program for new employees and offer DEI awareness activities and training as part of our DEI agenda.

Our performance and development process is one of our key people processes. It supports the competence and career development of our people, and it gives opportunity to give recognition and feedback, which both are important factors in employee engagement. These performance and development discussions take place at least twice a year.

## LearningHub:

More than 60 courses and webinars were added including courses in safety, our purpose and values, leadership development, sustainability, and Customer Connect which is our new Customer Relationship Management platform. Over 13 000 courses were completed during 2022.

### Elevating leadership excellence

We have worked with leadership development for a long time because we believe that excellent leadership is a prerequisite for an engaging workplace. Our development programs are strategy-based, helping leaders lead themselves, lead their teams and lead the business. Our leaders have a key role in creating a culture of success, while enabling a good work-life balance.

In 2022, we continued our JUMP training program, aimed at young professionals, with blended learning thanks to the success of the previous year. Participants of the program attended multiple virtual workshops, and joined a weeklong learning module in Noormarkku, Finland, where they could learn, grow, and reflect in an environment that nurtures strategic leadership development.

New training programs planned for 2023, including LEADER'S COMPASS for all of Ahlstrom's leaders and PIONEER for new leaders. The trainings will be organized virtually ensuring they are accessible for all line managers globally.

As part of our learning offering for line managers, we organized a change management webinar series, as well as feedback and recognition training. The feedback and recognition training was a targeted measure and responded to requests from our employees in the surveys conducted during the year. We also created a dedicated feedback and recognition site for all Ahlstrom employees, where they can find guidance, best practices, and examples from colleagues across the company. In addition, our line manager platform, Managers Toolbox, has

## LEADERSHIP DEVELOPMENT AND SUPPORT AT AHLSTROM

### Recruitment and Onboarding

Ensuring a smooth beginning of the employee journey at Ahlstrom

### Performance and Development

Continuous support of competence and career development of Ahlstrom employees

### On Demand Learning Modules

Self-paced learning in an online or offline learning environment to support different needs

### Leadership Development Program

A portfolio of leadership development programs for leaders in different roles

### Coaching and Mentoring

Supporting individual or team performance and leadership development

## PREVENTATIVE MEASURES

# 10 leading indicators

- We Report Hazard and Near Misses
- We Measure Rolling Near Miss Corrective Actions %
- We Conduct Safety Inspections
- We Analyze Incidents & Share Actively Our Learning
- We Continually Improve Through Active Sharing Of Best Practices
- We Perform Behaviour Based Safety Interactions
- We Measure Employee Safety Participation %
- We Measure Contractors Safety Training Hours
- We Measure Employees Safety Training Hours
- We Measure Actions Closed From Annual Safety Audit

been further developed to share important news, messages, and materials.

### Safety is our mindset

Ahlstrom works towards a zero-injury workplace by setting ambitious targets for continuous improvement and developing consistent safety practices and competencies at every level. We also strive to create a safety culture for all employees, contractors, and visitors at our sites that builds on local responsibility and accountability. The main element of our health and safety strategy is to work actively with our ten preventative measures to further strengthen the corporate safety culture.

Achieving our common safety key performance indicators assures all our stakeholders that we are continually reducing risks and creating a healthier and safer work environment. Continuous improvement also has a positive effect on financial performance as fewer accidents means fewer absences, better housekeeping, higher productivity, and no unwanted stoppages. We have also continued implementing ISO 45001:2018 safety management system in our production sites and 98% are now certified.

In Ahlstrom we believe that getting everyone involved in any activity within safety, creates a culture that seeks to identify and control hazards, which over time will reduce risks and the potential for harm, and ultimately affects greatly a positive safety mindset. We believe that zero accidents are possible, and this is our long-term aspiration.

To measure our progress in the complete area of safety, Ahlstrom tracks two priority metrics: Total Recordable Incidents Rate (TRIR), and employee safety participation. The

main lagging indicator is the TRIR where a baseline of 2,0 was established in 2019. TRI is the sum of all recorded occupational accidents for own employees (lost time accidents, occupational diseases, light duty cases, and other recordable incidents) and calculated using following formula:  $TRI / \text{Total hours worked} \times 200,000$ .

In 2022, TRIR decreased by 8% to 1.17 (1.27 in 2021). The target is to get to zero injuries. The target for employee safety participation this year were to get an 90% participation across all employees, and we nearly made this target and ended up with 89,5% (88,1%).

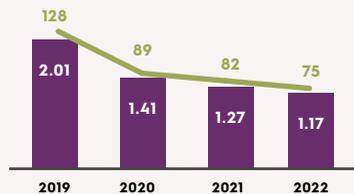
In 2022, a fatality occurred at the Thilmany plant in the U.S. The investigation is ongoing, and the company is taking precautionary measures at all plants based on current information to prevent accidents from recurring.

### Respect for human rights

Ahlstrom is highly committed to respecting fundamental human rights in all its activities and expects the same from suppliers. Human rights violations in the supply chain is considered a larger risk than in Ahlstrom's own operations. As laid out in the company Code of Conduct, this means for example that all employees must be treated with respect and given equal opportunities for personal growth and professional development regardless of their gender, age, race, ethnicity, disabilities, nationality, sexual orientation, religious beliefs, political affiliations, marital or economic status, or position within the company.

Mitigating risks of violations in human rights along the supply chain such as poor employment and working conditions can also counteract negative impacts to sustainable development at large

**DEVELOPMENT OF TRI\* AND TRIR**



■ TRI ■ TRIR  
 \* TRI: Sum of all recorded occupational accidents for own employees; lost time accidents, occupational diseases, light duty cases, and other recordable incidents. Total recordable Incidents Rate (TRIR); (TRI/Total hours worked) x 200,000.

**Our health and safety strategy is to work actively with our 10 preventative measures in order to strengthen the safety culture**

and minimize reputational risks. Ahlstrom also supports the United Nations Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact. This commits to eradicating child labor and forced labor anywhere in the supply chain and recognizing employees’ right to freedom of association and collective bargaining. Compliance with Human Rights issues in the operations is governed by Ahlstrom’s Code of Conduct and in the supply chain by the Supplier Code of Conduct.

Ahlstrom has an externally hosted system, SpeakUp, where employees can report violations confidentially. Reports of violations may also be made by third parties to a dedicated and confidential mailbox at [codeviolation@ahlstrom.com](mailto:codeviolation@ahlstrom.com). Our management approach is to focus on full legal compliance and investigate and resolve any reports of potential violations in a thorough and timely manner. In order to make sure that all our employees are both aware of and understand Ahlstrom’s Code of Conduct, they are expected to complete the Code of Conduct course which needs to be renewed biennially and is part of our introduction package for new hires.

**Responsible business practices**

Ahlstrom is committed to conducting its business ethically and responsibly in local and global communities. Adhering to ethical business practices is a fundamental principle for the company’s work across the globe. To foster this the company has a compliance program in place which is led by the company’s Chief Compliance Officer who reports to the Audit Committee. Ahlstrom’s Code of Conduct provides the expectations for



integrity and ethical behavior throughout the operations, including compliance with all appropriate national and international laws and regulations.

Any shortcomings in behaving ethically can result in possible damage to the Group’s brand and reputation and the associated risk to its sales, profitability, and enterprise value. To comply with ethical and responsible business practices all employees are expected to complete the Code of Conduct course which



needs to be renewed biennially and is part of the company's introduction package for new hires.

During 2022 Ahlstrom strengthened its trade compliance controls through a number of different activities, including acquisition of more advanced sanctions screening tools and increased training in the sanctions compliance area. A project

was initiated to strengthen procedures in relation to privacy and GDPR. The company maintains a full suite of compliance policies in relevant areas, including with respect to anti-bribery, trade compliance, competition compliance as well as data protection. The policies are communicated throughout the organization, and online training is provided to employees in accordance with a yearly training plan. 91% of office employees have taken the eLearning on Data Protection and 99% have completed Code of Conduct training at least once. The company promotes a culture of open reporting on ethical issues and concerns.

Any unethical or unlawful activity can be reported internally to a manager, or the Human Resources or Legal department. Employees can also report any unethical or unlawful activity using an externally hosted SpeakUp whistleblowing system via phone or web-service 24/7. Our employees are encouraged to raise their good faith concerns through these different channels without fear of retaliation. All reports are reviewed, and investigation and corrective actions are taken as necessary.

To comply with ethical and responsible business practices all employees are expected to complete the Code of Conduct course they are expected to complete the Code of Conduct course which needs to be renewed biennially and is part of the company's introduction package for new hires. At the end of 2022 91% (80%) of all employees had renewed the Code of Conduct course at least biennially. The previous year's completion rate was impacted by COVID-19 pandemic restrictions which hindered classroom trainings in our plants.

**99% of all employees have completed the Code of Conduct training at least once**

# Intellectual Capital

**Innovation and product development are the core of our long-term value creation. Innovation enables Ahlstrom to improve its range of products, technologies, and services to address sustainable functionality and design. Most of a product's environmental impact is determined during the design stage, which makes the development phase the most important step to achieve the greatest possible positive impact.**

As part of the ongoing transformation, Ahlstrom has placed increasing emphasis on sustainability aspects. The green transition sets new business conditions and creates challenges that can be met with the support of the science applied in our materials. Innovation is the force that drives us towards a more sustainable world. Likewise, sustainability creates need for new methods and systems, as well as products and partnerships, which in turn stimulate innovation and growth.

At Ahlstrom, we want to differentiate ourselves through products that purify and protect, produced and delivered with improved circularity and focus on decarbonization. In 2022, we decided on higher ambitions for growth, innovation, and sustainability. To adapt our innovation work to the company's newly defined purpose and increase the value of the innovation portfolio, management and processes in the Group's Innovation function were reorganized. Steps were taken in the deployment of key enablers, including a governance structure, and deploying a new innovation tool and cross-fertilization activities, and aligning

the activities with the Group vision. The Group innovation portfolio was retargeted towards disruptive technologies and new market opportunities, and more focus was placed on prioritized technologies and business incubation.

## Transition to a circular economy

Limited global resources and climate issues require a transition from the current linear systems of wear-and-tear to a circular society where products and materials must be used for as long as possible. In a circular society, carbon dioxide emissions are lower and there are conditions for environmental sustainability.

Ahlstrom strives to be part of this transition, actively working with its offering to extend applications for renewable, bio-based raw materials and increase the share of circular industry solutions for more durable products.

In 2022, Ahlstrom deepened the knowledge of circular systems and prepared guidance for its businesses how circular system thinking can be implemented in the innovation process. In addition, various areas of applications were examined, i.e. how products and materials can circulate at a system level. During the year, Ahlstrom also strengthened its capabilities to work with carbon footprint and life cycle analysis methods to measure the potential impact that its products can have on the environment. Ahlstrom is currently able to calculate cradle-to-gate carbon footprint estimates. In 2022, approximately 30 estimates were calculated. Fully ISO-compliant studies are performed for strategic products, amongst others a range of plastic replacing



## The EcoDesign tool evaluates the performance of the potential new product against a set of criteria and by comparison with an existing product



papers. Ahlstrom acquired a life cycle analysis specialized software (GaBi ts) to perform these studies with the results of which it is possible to:

- Identify environmental hotspots with high potential impacts and work towards reducing them
- Improve and enhance the sustainability features of products
- Support fact-based environmental decision-making in own operations and along the value chain
- Be able to externally communicate the products' environmental performance

In the last decade, environmental issues have become a major topic of public opinion. Customers and consumers want to be informed, and demand evidence about potential environmental impacts of the products. Being able to respond to customers' requests for information on carbon footprints, circular system solutions or product-specific sustainability aspects is important for Ahlstrom to position its products and deliver on its purpose to Purify and Protect.

### Complementing the existing EcoDesign tool

The circular guideline and life cycle analysis methods complement the Group's existing EcoDesign tool, which considers a range of product-specific sustainability aspects.

The EcoDesign tool evaluates the performance of the potential new product against a set of criteria and by comparison with an existing product. Four aspects are considered for a sustainable design. First, where possible, lower-impact materials, such as renewable, recycled, or biodegradable materials that have improved end-of-life outcomes e.g. industrial

and/or home compostable materials, are selected. Second, focus on responsible chemical use, including reducing or eliminating hazardous chemicals wherever possible. Third, seeking process efficiencies to make good use of raw materials, water, and energy. Finally, design for product efficiencies, including sustainability performance for customers all along the value chain and end-of-life disposal.

Ahlstrom customizes a large part of its products and solutions according to desires and needs from customers. The EcoDesign Tool is a useful instrument in those discussions as it communicates in an effective way Ahlstrom's effort and commitment to provide them fully featured products with the lowest possible environmental impact.

### R&D shared with businesses

Ahlstrom has extensive research and development capacity, shared between the Group's Innovation function and the different businesses. Product development in the businesses is carried out at the various plants and in collaboration with customers, mainly in the form of continuous product improvement and product renewals. Collaboration with research institutions for long-term development of the company's technology platform is run by the Group, while collaboration with industrial alliances is run by businesses.

The Innovation function operates a research center in two locations in France, in Pont-Evêque and in Apprieu. The Innovation function, employing 42 people, works in close cooperation with the businesses and supports the company strategy. Group Innovation provides services and access to laboratories and test equipment. Key areas of expertise include



**Sales of new and product improvements launched in the last three years amounted to 22%**

paper technologies, fiber refining, surface treatment and converting techniques, polymers, synthetic fibers, nonwoven technologies, analytical science, and food contact expertise and guidance. The Group's expenditure on R&D was approximately EUR 35 million (EUR 27 million in 2021, including discontinued operations), representing 1.1% (0.9) of net sales. The figure does not include technical product development costs carried out in close cooperation with customers.

#### Improved steering with new tool

In 2022, Ahlstrom began implementing a system across all businesses called Project and Portfolio Management (PPM) Tool to reinforce customer focus when developing new and existing products. Specifically, the tool exists to make sure that there is a connection from customer need to new R&D to the finished product. With the tool, Ahlstrom has a management mechanism in place that ensures innovation led by customer needs is at the heart of all projects and all value creation, from the very beginning. The PPM Tool has also enabled businesses to take a greater role in R&D by being closer to customers and partners, which in turn has improved insight into customer needs. This synergy triggers an even stronger customer centrality. The tool's ability to support the management of the innovation portfolio at the corporate level, also takes Ahlstrom to a higher strategic level by providing the capability to drive the entire innovation pipeline in a desired direction that supports the Group.

#### Performance and targets in 2022

To track its progress Ahlstrom has a target for sales of new products and product improvements launched in the last three

years to reach 25% by 2025. In 2022, sales of new products and product improvements launched in the last three years amounted to 22% (22%). The company is evaluating new KPIs that better serve the newly defined purpose and vision.

#### Collaboration with stakeholders

Ahlstrom delivers high performance materials with high added value that are oriented towards customer requirements rather than industry standards. Typically, the materials form an important part of an end product, or perform crucial tasks in a production process.

The long-term collaboration in product development with customers forms the basis for developing the capacity for what fiber-based materials can do. Through our academic network, we participate in research programs within themes of high strategic importance to the group. Our strong collaboration with suppliers makes it also possible to involve and engage them in the work to achieve the overall goal of genuinely sustainable fiber-based solutions. Coordinated collaboration between all stakeholders is critical to succeed and reverse the climate change. Ahlstrom is an active member of a number of coalitions to support circular bioeconomy as well as decarbonization:

- **4evergreen** to generate awareness about the benefits of fiber-based packaging materials, advocate for EU legislation supporting product design for recyclability and appropriate recycling infrastructures.
- **Sustainable Packaging Coalition** to bring together businesses, educational institutions, and government agencies to collectively strengthen and advance the business case for more sustainable packaging, delivering results-oriented projects and cutting-edge resources.

**Ahlstrom is an active member of a number of coalitions to support the circular bioeconomy, as well as decarbonization**

- **F3 – Films For Future** to support the development of new packaging materials and technologies to replace fossil-based raw materials with materials manufactured using renewable resources. New solutions reduce the carbon footprint and the waste caused by packaging and promote the recycling and reuse of waste.
- **Soteria Battery Innovation Group** to connect strategic partners and make safe portable lithium-ion batteries. The consortium allows a faster technical ramp-up to manufacture and commercialize fiber-based separator solutions for the lithium-ion battery industry.
- **Cellulose valley** to develop new high-performance cellulose-based materials for the packaging industry. The collaboration encompasses a four-year teaching and research initiative by a partnership between the Laboratory of Pulp and Paper Science and Graphic at Grenoble, France, and several industrial companies across the packaging materials value chain.
- **CELAB** to build circular systems for self-adhesive materials in Europe. Target is to have more than 75% of the used release liner and matrix material to follow a circular business model by 2025. Focus of the recycling workstream is to identify, verify and support the development of sustainable end markets for repurposed/ recycled liner and matrix materials.



**Through our academic network, we participate in research programs within themes of high strategic importance to the Group**

# Manufacturing Capital

At year-end 2022, Ahlstrom operated a network of 38 plants and converting sites on four continents in the production of fiber-based specialty materials. The company possesses unique know-how in fibers, chemistry and materials technology, and the plants cover all major web forming and paper manufacturing technologies. In 2022, the deliveries were for the continuing operations around 1,440,000 tonnes, almost at the same level as the previous year. During the second half of the year customer activity was affected by the increased uncertainty due to rising inflation, higher interest rates, Russia's invasion of Ukraine and the lingering COVID-19 pandemic.

## Investing in our business

Capital expenditure for continuing operations totaled EUR 195 million and related to growth initiatives, efficiency improvements, and maintenance. Share of maintenance related capital expenditure was EUR 80 million. Depreciation and amortization on fixed assets was EUR 183 million, including depreciation and amortization arising from PPA of EUR 65 million.

During the year we completed two strategic growth investments. The investment in the Beverage & Casing business strengthens the company's market position in biodegradable and compostable tea bags, coffee and meat casings. The investment project in the Filtration business strengthens the company's European manufacturing platform of high-performance filtration materials for industrial filtration and energy storage applications.

To expand manufacturing capabilities of high-performance filtration materials and provide shorter lead-times and technical support to transportation and industrial customers in South America, an investment in a new laminator at its Louveira plant in Brazil was decided.

In response to the growing demand for grease-resistant packaging free of fluorochemicals, an investment was decided to rebuild a paper machine at the Thilmány plant in the U.S. The rebuild will also allow for reduced energy consumption and waste generation. Furthermore, it was decided to increase parchment capacity at the Saint Severin plant in France in response to the desire to replace plastic with sustainable and food-safe packaging alternatives.

Work continued completing a new glass fiber tissue production line located in Madisonville, Kentucky, U.S, to support the flooring industry in North America. The line will produce a full range of glass fiber tissue with a main focus on Luxury Vinyl Tiles and Vinyl sheet materials.

As part of Ahlstrom's commitment to science-based action to mitigate climate change, in August the company decided to invest in new technology and convert its existing boilers at its Mosinee and Rhinelander plants in Wisconsin, U.S., to reduce carbon emissions and landfill waste.

In October, the reorganization of the Decor business ownership was completed and generated net cash of 217 million in accordance with the plan announced in May 2022. An impairment loss of EUR 130 million on the goodwill was



recognized in the third quarter as part of the discontinued operations. The Decor business manufactures high-quality decor papers primarily used as the decorative surface material in laminated wood-panel based furniture, flooring and other interior and exterior building material applications. The production takes place at six plants: Unterkochen and Deitingen in Germany, Tolosa in Spain, Arches in France, as well as Caieiras in Brazil and Xingtai in China. In terms of sales and assets, the divested Decor business represents approximately 10% of the Group, and mainly reduces Ahlstrom's exposure to Europe and the furniture industry.

# Financial Capital

Ahlstrom's financial capital is divided into equity and debt. The company aims to keep an optimal capital structure to reduce the cost of capital.

The main source of borrowings includes term loans, bonds, and bank loans. During the period, the company raised EUR 60 million as an add-on to its existing senior term loan facility to the financing of general corporate purposes, including acquisitions.

At the end of the year gross borrowings were EUR 2,171 million, including senior term loan facilities of EUR equivalent 1,415 million and senior secured notes of EUR equivalent 614 million.

The principal sources of liquidity were cash flow from operating activities, committed and uncommitted lines, as well as a Finnish Commercial Paper Program and a factoring and similar financing arrangement. At the end of the year, the total cash was EUR 241 million.

On December 31, 2022, Ahlstrom's adjusted net indebtedness was EUR 1,688 million, translating into a net indebtedness to adjusted EBITDA ratio of 3.1.



# Social and Relationship Capital



**Social and relationship capital are a prerequisite for Ahlstrom's value creation as collaboration and co-creation with stakeholders are important success factors in developing sustainable specialty materials and delivering on the company's purpose.**

Through our actions, we build trust and meaningful connections with all our stakeholders, which contributes to the well-being of the local community and improves the company's brand and attracts potential employees, partners, and customers. The interaction with stakeholders also gives us insight and contributes to our competence, as well as guides and supports us in our strategy implementation.

## **Commitment to UN Global Compact**

Ahlstrom has been a signatory of the United Nations Global Compact initiative since 2017. We annually renew our commitment to its 10 Principles relating to human rights, labor, environment, and anti-corruption. For Ahlstrom, these principles are essential in ensuring full compliance with all applicable laws and regulations, managing risks in procurement and operations, building a trusted brand and reputation, and identifying opportunities to contribute further to social and environmental outcomes. As a Global Compact participant, the company is dedicated to responsible practices from the highest level of leadership to the most local concern in a supply chain or at a production site. We are collaborating with our peers in UN Global Compact Networks,

which is a valuable forum for us to shape a long-term sustainable future with other businesses and organizations.

### **Collaboration for insight and common interest**

Ahlstrom is actively involved in several partnerships between the academia, industry and private foundations. The company is part of the UN Global Compact local network in Finland and a member of the Swedish and International Forest Stewardship Councils (FSC) and we actively support their objectives. Through our involvement, we seek to support responsible forest practices and forest product supply chains. Ahlstrom is a member of the Finnish organization for sustainable business practices (FIBS), the European Disposables and Nonwovens Association (EDANA), Circular Economy for Labels (CELAB) and the Sustainable Packaging Coalition based in North America. Through several local Forest Industries Federations and Associations, the Wisconsin Paper Council, USA, and the Confederation of European Paper Industries (CEPI), the Federation of European Producers of Abrasives and Food Packaging Institute, Ahlstrom also engages in public affairs. Ahlstrom communicates within these interest groups to ensure that decisions affecting specialty fibers are considered in policies that may impact operations and supply chains.

### **Social responsibility for a long time**

Ahlstrom's strategic giving and donation program focuses on strategic philanthropy projects and supporting local communities around us in accordance with United Nations Sustainable Development Goals.

Already 170 years ago, interaction with the local community was an important matter for the company's development. The founder Antti Ahlström and his wife Eva worked devotedly to raise the level of education, and especially for girls to get an education. This ideology still lives on today in the form of Ahlström Collective Impact-initiative and the company's local community projects.

Today, Ahlstrom is engaged in social responsibility both locally and globally. The local dimension primarily involves recurring local community projects that target the communities where the company operates. The global dimension includes the collaboration within Ahlström Collective Impact and focuses on targeted strategic investments. Both the local and global initiatives are driven by Ahlstrom's employees in the form of ambassadors, with the help of active involvement at the local level.

### **Local community projects – supporting local initiatives**

Ahlstrom employees are empowered locally to participate in the selection of initiatives and projects for the good of local society. In 2022, Ahlstrom employees were again invited to submit proposals for projects or initiatives they feel are important. This year our local community initiatives program focused on funding projects dedicated to gender equality, industry, innovation and infrastructure, reduced inequalities or sustainable cities and communities, which are in line with UN's Sustainable Development Goals 5, 9, 10 and 11. Eight projects were selected based on the potential impact, meaningfulness and geographical or regional

**We strive to further strengthen our close and long-term relationships with the communities that host our production sites**

## SUPPORTING LOCAL COMMUNITIES

Ahlstrom has a long history of supporting local communities in which we operate in, and for Ahlstrom, social responsibility is about making a difference and creating even a stronger bond with our employees and the communities around us.



diversity. The selected projects are well established organizations that have been actively working for the good of the community already for some time.

Our ambition is to support the local community work further and believe in the importance of active engagement and locally led initiatives. For example, our Jacarei plant in Brazil has been leading the local community work and built strong connections with the community. In 2022 we donated offset paper to non-governmental organizations, gathered clothing for the cold weather for people in need and donated toys to children of the local communities for Christmas among other work with the local community.

### Driving social responsibility through Ahlström Collective Impact

Ahlström Collective Impact is a unique cooperation model designed for targeted strategic investments that support the realization of selected United Nations' Sustainable Development Goals. For three years now, the partnership has been uniting public and private companies, foundations, shareholders, and employees to act together and to create change by investing in a better future for children in partnership with UNICEF Finland.

In 2022 we have continued to focus on SDG 4, Quality education, 5 Gender equality, and 17, Partnerships for the goals, which have guided the investments and activities of the partnership during the year. To support the goal for quality education, Ahlström Collective Impact directed its investment of one million euros to UNICEF's Global Education Program.

As one of the biggest investors, Ahlstrom has had a key role from the beginning in developing Ahlström Collective further. The focus has been in taking initiative and creating engagement and commitment among its stakeholder groups. For Ahlstrom, the collaboration is a way of influencing and contributing to change, promoting equality, and improving child-related risk management processes in the company's supply chains.

### World Children's Day

Every year on 20 November, World Children's Day is celebrated to promote and raise awareness of children's rights. Again in 2022, all Ahlström Collective Impact partners were actively involved in planning and executing joint campaigns to celebrate this important day. At Ahlstrom, a series of internal and external initiatives and communication activities were launched to advocate, promote, and celebrate children's rights, focusing on education, play and the role of playing in learning and education. This year our local sites initiated more activities than ever before. These included "Bring your kids to work" events in Finland and China, a "Sustainability Day" for our employee's families in France and organizing activities in local schools in India. We believe our participation in this important day and our actions will translate into dialogues and actions among our people that will help build a better world for children across the globe.

# Ahlstrom's Business Model

Ahlstrom has an integrated business model with a focus on sustainable fiber-based specialty materials that are continuously developed and improved in close collaboration with customers and partners.

As a producer of specialty materials, we create value by adding know-how and advanced technology to carefully chosen fibers that we ensure are responsibly sourced. A close partnership with customers in combination with sustainable sourcing and an efficient production platform constitutes a virtuous circle where insight and knowledge gained in each step of the process can be fed back and strengthen competitiveness.

Ahlstrom delivers a clear value proposition that is based on innovation, quality and customized service. Our customers use our solutions in a large variety of everyday applications within a broad range of end-uses that are underpinned by fundamental business drivers in today's society.

## BUSINESS MODEL





## Outputs

**Ahlstrom provides high performance fiber-based materials that often perform important functions in the value chain or the product solution.**

Ahlstrom makes relatively few products that are intended for end use by customers. Instead, we deliver materials that form part of either a product used by consumers, like different types of tape or rapid test kits, or used in industrial processes, for example to deliver higher air quality or separation solutions for lead-acid and lithium-ion batteries. In many cases, like backings for abrasive products, they are used in both. Our products therefore form an integral and important part of many value chains.

One crucial aspect of our materials is functionality and that is something we are constantly striving to improve. Our materials and products perform a task and a function that improves the end product. We want that function to constantly improve while also becoming more sustainable. Product design often requires joint product development with customers and partners across the value chain, and sometimes takes several years to develop.

An example is a new line of propagating paper which replaces plastic pots and plastic bags in the agricultural industry. Together with bio-binder supplier OrganoClick, Ellepot and Ahlstrom developed a new Ellepot propagation paper that is completely biobased and biodegradable. This new generation of plant pots degrade completely after 6 to 8 weeks in use.

Another example is battery development which is considered a key component of an electric future. In the lead-acid battery

**One crucial aspect of our materials is functionality, and we want that function to constantly improve while also becoming more sustainable**

market, Ahlstrom is developing, manufacturing, and selling a wide range of high-performance film separator reinforcement, pasting materials and adsorbed Glass Mat media (AGM). Ahlstrom is also active in the field of lithium-ion battery, proceeding with the technical ramp-up to manufacture fiber-based separator solutions in the frame of Soteria Battery Innovation Group. Soteria Battery Innovation Group is a consortium of industry leaders working together to bring safe batteries to the world, Ahlstrom is a member since 2019, Battery architecture uses thermally stable separators made from advanced fibers. Ahlstrom's fiber-based nonwoven material is introduced in Soteria Battery Innovation Group technology as a lithium-ion cell separator to withstand temperature elevation inside of a battery. The differentiating product, currently being developed, enables a safe and light architecture for lithium-ion batteries.

# Business impacts

Our business and operations have an impact on communities, economies, and the environment. We work to minimize potentially negative effects and contribute as much as possible to local communities and economies where we operate. Ahlstrom is keenly aware that its operation and manufacturing sites are important to many local communities. They are typically located in rural areas and therefore are important for local employment opportunities.

We contribute to local economies by providing employment with opportunities for advancement and training and skills development on the job. We also contribute through taxes and by using local suppliers when possible. In some communities we may be one of the larger private employers.

**As an industrial manufacturing company we recognize that our plants have an impact on the local and global communities and environment**

As a manufacturing company we recognize that our factories have an impact on the local and global environment. We strive to reduce that impact by operating in a responsible way. We work to reduce our carbon footprint and air emissions and we strive to preserve the ecological balance of water bodies by consuming process water responsibly and ensuring sound wastewater management. This is also done in dialogue with local authorities and communities.

Our specialty materials help improve our customers' end products and processes, and we innovate and develop to push the boundaries of how our fiber-based materials can contribute to a more sustainable society. Finding ways to improve efficiency and extend product life is one way to achieve this. Other ways could be to develop compostable solutions or improve recyclability for more demanding applications, or alternatively to replace non-renewable materials.

Our ambition is to be at the forefront of this development as well as other areas such as reducing the need for chemicals and in particular chemicals that can be potentially harmful. Ideally, we can, as a market leader in many of the niches we operate in, also be an inspiration to other market participants and our customers. Coordinated collaboration between all stakeholders is critical to succeed and reverse the climate change.

## We contribute to a sustainable world



**CLEAN AIR**



**REPLACING PLASTICS**



**CLEAN WATER**



**FOOD SAFETY**



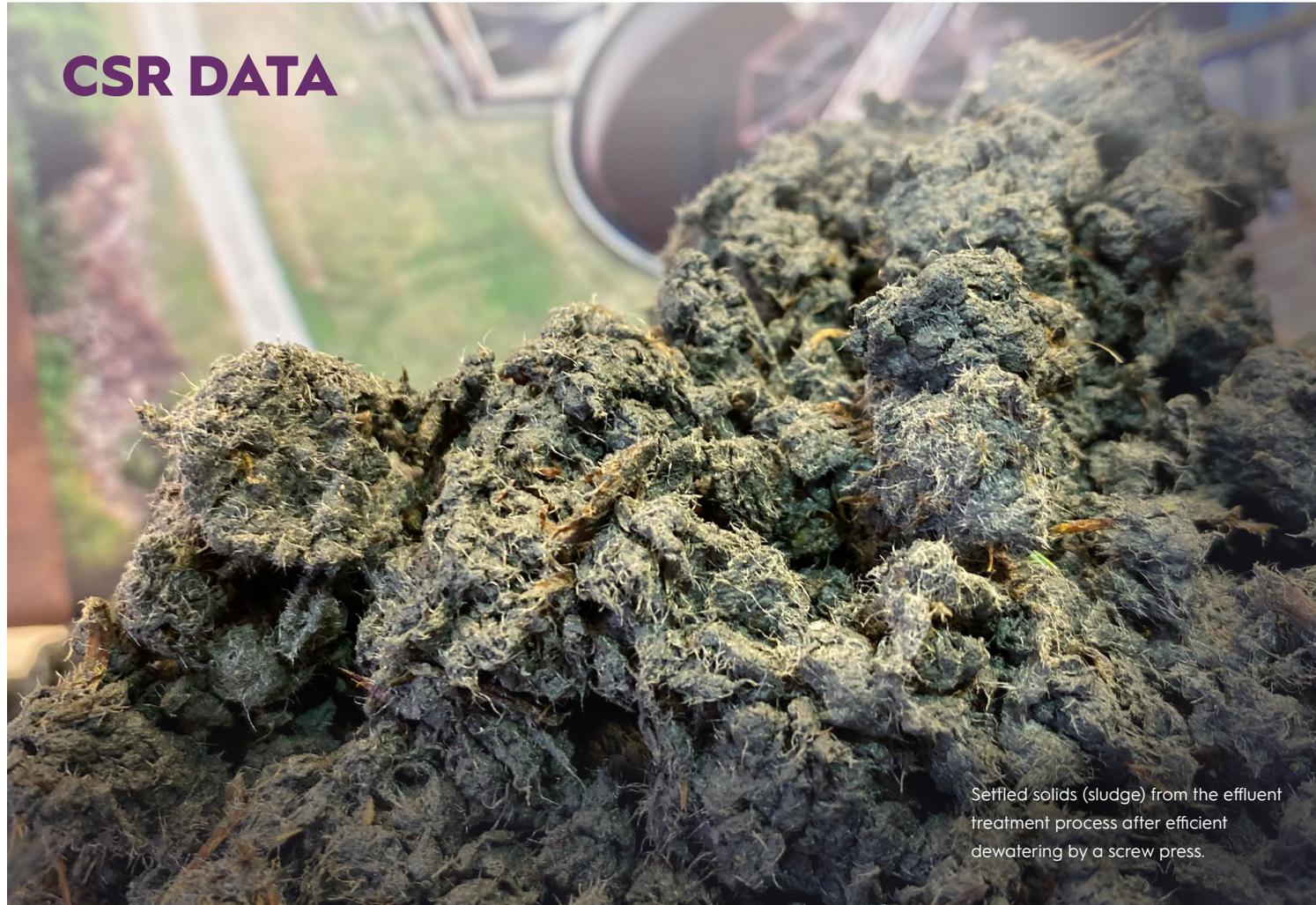
**QUALITY HEALTHCARE**



**EMISSION REDUCTION**

- Our advanced air filtration solutions cater for an increased demand for safe and healthy indoor environments, both in buildings and means of transport. People want to avoid the risk of building-related illness, and seek protection from pollution and bacteria, as well as well-being from clean air.
- We offer alternatives to plastic solutions and opportunities to increase the sustainability of the materials and circularity by using biobased raw material without compromising their functional properties.
- Our water filtration products using our proprietary technology can reduce the demand for bottled water by improving tap water and thus helping to achieve a significant positive end impact on the environment.
- We have paper solutions designed to provide outstanding grease resistance without the use of PFAS (fluorochemicals) for a wide range of food packaging applications including those used in quick service restaurants.
- As an established manufacturer of protective medical fabrics for face masks and protective apparel, as well as diagnostics materials for rapid test kits and venting filters we have contributed to prevent the spread of COVID-19.
- We contribute to the electrification of the society, which is driven by the need to reduce air pollution and CO<sub>2</sub>e emissions, with filtration solutions to all electric and fuel cell vehicles as well as energy storage applications.

## CSR DATA



Settled solids (sludge) from the effluent treatment process after efficient dewatering by a screw press.

### Passion for Operational Excellence

A team effort engaging all levels of employees at the Ahlstrom Mosinee plant in the US managed to solve a longstanding issue of disposing the sludge that results from the effluent treatment process.

Due to the sludge's low content of solids, much of the sludge had been going into landfills instead of being recovered and used as fuel for the inhouse steam boilers. A screw press was installed several years ago to dry the sludge, but it was unable to operate reliably due to several technical issues.

Many unsuccessful attempts were made over the years until recently, when a team of operators from the effluent treatment plant and the management was formed. Building on the skill and knowledge of the operators, the team managed to resolve the technical issues and virtually eliminate the sludge going to landfill, while converting it to a fuel for the boilers. The outcome was a win-win as energy recovery was significantly improved while the environmental impact was reduced thanks to the fact that expansion of the landfill may no longer be needed. Avoided costs amounted to approximately EUR 4 million.

The breakthrough was achieved as part of our Operational Excellence initiative. A key principle is fostering a culture where every employee is involved in the organization's growth and development. When all employees are engaged, a powerful driving force is created that continuously drives us forward. Even small incremental improvements can have a big impact on productivity and financial results by eliminating activities that consume resources while adding no value.

## CSR DATA

# Sustainability reporting

This is Ahlstrom's sixth GRI report. For the year 2022 Ahlstrom reports with reference to the GRI Standards.

The Ahlstrom Sustainability Report is prepared and published annually. The reporting cycle is for the full year, containing information for the reporting period of January 1, 2022 to December 31, 2022. Ahlstrom's Sustainability Report 2021 was published on March 21, 2022.

## CONTENT OF THE REPORT

Ahlstrom's Sustainability Report focuses on strategy, our progress, and targets for the past year. Our general ambition for the report is to be transparent, relevant, and comparable. The sustainability report is based on our regular assessments and dialogue with our stakeholders, aiming at identifying factors in the company's operations that impact society and are critical to Ahlstrom's value creation .

## REPORTING

Reporting is limited to those areas in which the company exercises complete control over the collection of data and quality of information unless otherwise indicated. The Decor business was divested on October 1, 2022. The focus of the presented sustainability performance is on continuing operations.

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is part of Ahlstrom's commitment to responsible business practices and critical to our long-term business success. An ongoing exchange involves sharing our progress with our key stakeholder groups in a transparent way and understanding their needs and expectations for the company.

Effective and transparent dialogue allows us to better prevent and manage risks by more quickly identifying and responding to stakeholder expectations, while identifying opportunities for new and more innovative products that can drive growth in areas of stakeholder interest. Ahlstrom focuses on engaging five key stakeholder groups; (1) our customers, (2) our investors, (3) our employees and the unions that in some cases represent them, (4) our suppliers and (5) the local communities that host our production sites.

These stakeholder groups have been selected based on internal qualitative analyses ranking which groups have the most impact on the company's business and are in turn the most directly impacted by our activities. Our stakeholder collaboration work provides us important input for our long-term development efforts.

## Investors

Our investors put a lot of interest in the company's environmental, social and governance (ESG) processes. The company regularly engages in dialogue with investors through quarterly updates and annual reporting through our digital platforms, in-person meetings and events, as well as individual conversations.

The company also responds to information requests and questionnaires to ensure investors obtain the accurate status of our ESG performance and targets. To remain



an attractive investment according to the investors Ahlstrom needs to carefully consider future trends in sustainable consumer behavior and direction of regulatory changes in its product development and long-term R&D work. The company need also to actively work with risks and opportunities due to climate change as well as reduce carbon emissions in line with climate science.

## Customers

Our customers are as diverse and specialized as our product portfolio. They often have unique requirements in addition to quality, supply chain and cost expectations for our high performing, innovative products. The company engages in frequent individual and small group conversations with current and potential customers to ensure we meet their needs on an ongoing basis.

Ahlstrom also solicits customer feedback through regular customer surveys. Based on the dialogue and the customer survey in 2020, ensuring responsibility at all parts of the whole supply chain was seen as a priority by customers. Climate issues such as carbon footprint as well as the properties of our materials in terms of using renewable, recyclable and reusable materials when appropriate is valued by customers as well as the availability of certifications as all of these also help the customer to be more responsible.

## Employees & unions

Our employees have a central role in our operations and are the key contributor for the company's long-term value creation. We engage employees in continuous dialogue through surveys, trainings, internal communication, events, and individual and small group conversations. Ahlstrom conducts surveys directed at all employees on a regular basis throughout the year as well as more targeted deep dives for specific employee groups based on for example site, function or position using digital platforms as well as group or individual discussions.

Based on these interactions and survey answers, a top area of interest for employees is wellbeing, which is seen to be as working for a company that listens to

employee concerns, minds health & safety as well as emphasizes the importance of conducting business in an ethical manner and ensuring equal and fair treatment for all. In addition to this, employees place importance in environmental issues such as energy and water.

In addition to regularly engaging individual employees, Ahlstrom is also committed to active dialogue with unions, including European Works Council (EWC) representatives. This will include plant tours that encourage mutual learning and cross-fertilization and discussions about company sustainability performance in top areas of EWC interest, such as business results, health and safety, and company values.

### Suppliers

Ahlstrom suppliers are diverse in terms of size, footprint, products, and geography. Our fiber suppliers include commodity pulp suppliers, large companies producing man-made fibers, and smaller farmers selling niche products such as abaca, which is annual fiber. We also work with chemical suppliers and indirect suppliers including equipment, energy, water, and service suppliers on scales from the global to the highly local. Ahlstrom strives to build productive relationships with our suppliers through regular contact primarily through individual and small group conversations as well as answer to inquiries and share our EcoVadis scorecard. In addition to this, we work together with chosen suppliers to create awareness about sustainable working standards and drive common responsibility advancements.

Based on the Procurement team's expert knowledge, in general, our suppliers primarily seek clarity on our sustainability initiatives and requirements that impact their operations.

### Local communities

Ahlstrom is often a significant employer in the areas where we operate, creating a special responsibility and interest among local authorities, local suppliers, direct plant neighbors, employees' families and other community members. Production sites also work to be a good neighbor and quickly respond to any nuisance complaints related to regular plant activities and are in contact with local media. Although slightly differing across sites, regular activities include open houses and plant tours, educational or professional development opportunities for young people, such as internships or collaborations with local schools and universities, and providing charitable donations and in-kind support to community enrichment activities.

Although local communities' concerns vary significantly by production site context, based on interviews with plant managers, the top concerns that emerges across these diverse plants are environmental issues relating to use of energy, consumption and quality of water, waste, health and safety of the employees, and financial profitability, in the context of the company continuing to provide good employment opportunities in the areas where it operates.

### IDENTIFYING WHAT IS IMPORTANT

In 2022 the material sustainability topics were slightly adjusted from the previous year. The foundation was a benchmark study where we identified areas of strength and opportunities to improve and develop our sustainability performance and accelerate positive impact. Also, the perspectives and expectations of our owners were taken into consideration. Based on this dialogue we developed our holistic ESG framework with corresponding focus areas, key performance indicators and targets. The updated ESG framework covers Environmental, Social and Governance as well as sustainability in our product portfolio as a new key focus area.

## MATERIALITIES

	Material topics	Metrics	Baseline	Result 2022	Targets	Target year	SDG
<b>SOCIAL</b>	<b>Engaged employees</b>	Employee Net Promoter Score	9	16	Top decile (-45)	2027	2
	<b>Diversity, Equity and Inclusion</b>	Gender balance top leaders, females	20%	24%	40%	2025	5
		Gender balance total workforce, females	18%	19%	20%	2025	5
	<b>Safe workplace</b>	Total Recordable Incident Rate	2.00	1.17	0	Ongoing	3
Employee Safety Participation		88%	90%	> 95%	2025	3	
<b>ENVIRONMENT</b>	<b>Reduction of CO<sub>2</sub>e emissions</b>	Scope 1 and 2 emissions, thousand tons	1,842	1,684	38% reduction	2030	13
	<b>Efficient use of resources</b>	Water intake, cbm per ton	61.5	68.5	60	2030	6
		Waste to land fill, thousand tons	123.9	133.8	0	2030	12
	<b>Responsible sourcing</b>	Share of certified natural fiber	98%	98%	100%	2030	15
		Supplier Code of Conduct compliance		75%	100%	2030	3, 8, 12
<b>GOVERNANCE</b>	<b>Business ethics</b>	Code of Conduct course completion		91%	100%	Ongoing	16
<b>PRODUCTS</b>	<b>Sustainable innovations</b>	Share of new and improved products	22%	22%	25%	2025	9

All 17 SDGs are important to Ahlstrom's sustainability agenda, but 9 SDGs were identified to be the most relevant currently.



## Environmental Certifications and Standards

Ahlstrom adheres to a range of internationally recognized, thirdparty audited standards that support our sustainability progress. For a full list, visit the sustainability section of our [website](#). ISO standards ensure effective, well-designed safety, environmental and energy management systems. Meeting these standards helps Ahlstrom-Munksjö identify opportunities for more efficient resource use and achieve cost savings, contributing to our environment objectives. By the end of 2022, 34 and 13 of our operating sites had achieved ISO 14001 and ISO 50001 certifications, respectively. Similarly, achieving the ISO45001:2018 occupational safety management certification at 36 of our sites demonstrates our continued dedication to employee well-being. Improving health and safety practices are primarily about ensuring employee safety, but also helps Ahlstrom ensure legal compliance, manage risks, and support productivity across its businesses. 37 plants are certified according to the Quality Management System standard (ISO 9001 or similar) to ensure quality, helping to reduce waste and reliably meet customer needs. Other plants achieve certifications specific to their products, including quality management systems for medical devices (ISO 13485, EC), hygiene standards for food packaging materials (BRCS Packaging Materials, ISO 22000, FSSC 22000), and Kosher requirements for certain food-related products.

## NUMBER OF CERTIFIED SITES AND CENTERS

ISO 45001	36
Quality certificates	38
ISO 14001	34
ISO 50001	13
ISO 50001+14001	13
<b>Total number of sites, including R&amp;D centers in Ahlstrom</b>	<b>40</b>

## Ahlstrom's twelve prioritized sustainability metrics

- Employee Net Promoter Score indicate how likely Ahlstrom employees are to recommend Ahlstrom as a workplace. The manufacturing industry is used as the reference group.
- Gender balance top leaders measures the share of women among top leaders as defined based on position.
- Gender balance total workforce measures the share of women of total workforce.
- Total Recordable Incident Rate is the sum of all recorded occupational accidents for own employees, including lost time accidents, occupational diseases, light duty cases, and other recordable incidents, divided by total hours worked x 200,000.
- Employee Safety Participation represents the share of all employees who actively participated in minimum one additional health and safety preventative activity, monitored monthly, with annual weighted average.
- Scope 1 and 2 CO<sub>2</sub>e emissions include direct greenhouse gas emissions that occur from sources that are controlled or owned by Ahlstrom, and greenhouse gas emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Ahlstrom.
- Water intake intensity refers to the ratio of total water withdrawal from all types of sources divided by net tons of paper and pulp production.
- Waste to landfill includes total amount of non-hazardous non-recoverable and hazardous waste generated in the operations.
- The certified share of total volume of natural fibers.
- Supplier Code of Conduct compliance refers to the share of suppliers that are signatories or considered compliant of suppliers with spend of above one million euro annually.
- Code of Conduct course completion refers the share of employees that have completed at least biennially the Code of Conduct course.
- Share of new and improved products of Group net sales in the last three years.

# GRI content index

Statement of use	Ahlstrom has reported in reference with the GRI Standards for the period Jan 1st 2022 to Dec 31st 2022. The report was published xx March 2023
GRI 1 USED	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None applicable

GRI standard/other source	Disclosure	Location
<b>GENERAL DISCLOSURES</b>		
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 8-10
	2-2 Entities included in the organization's sustainability reporting	FS 2022, note 23, Subsidiaries
	2-3 Reporting period, frequency and contact point	p. 46
	2-4 Restatements of information	p. 46
	2-5 External assurance	p. 55-56
	2-6 Activities, value chain and other business relationships	p. 10, 17-18, 20
	2-7 Employees	p. 25-32, 54
	2-8 Workers who are not employees	p. 54
	2-9 Governance structure and composition	p. 58, 65-71
	2-10 Nomination and selection of the highest governance body	p. 56-64
	2-11 Chair of the highest governance body	p. 65-71
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 64
	2-13 Delegation of responsibility for managing impacts	p. 64
	2-14 Role of the highest governance body in sustainability reporting	p. 64
	2-15 Conflicts of interest	p. 63, 67-71
	2-16 Communication of critical concerns	p. 30-32, 62-64
	2-17 Collective knowledge of the highest governance body	p. 59-60
	2-18 Evaluation of the performance of the highest governance body	p. 58-59
	2-19 Remuneration policies	p. 7, FS 2022, note 8
	2-20 Process to determine remuneration	p. 7, FS 2022, note 8
	2-21 Annual total compensation ratio	Ahlstrom does not disclose compensation ratio
	2-22 Statement on sustainable development strategy	p. 5-6
	2-23 Policy commitments	p. 64

GRI standard/other source	Disclosure	Location
	2-24 Embedding policy commitments	p. 20-44
	2-25 Processes to remediate negative impacts	p. 62-64
	2-26 Mechanisms for seeking advice and raising concerns	p. 30-32
	2-27 Compliance with laws and regulations	Ahlstrom had no significant non-compliance during 2022
	2-28 Membership associations	p. 39-40
	2-29 Approach to stakeholder engagement	p. 46-48
	2-30 Collective bargaining agreements	p. 31
<b>MATERIAL TOPICS</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 48-49
	3-2 List of material topics	p. 49
<b>SOCIAL</b>		
<b>Engaged employees</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25-32
Own Disclosure	Employee Net Promoter Score	p. 27
<b>DIVERSITY, EQUITY AND INCLUSION</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25-32
Own Disclosure	Gender balance top leaders, females	p. 25-32
Own Disclosure	Gender balance total workforce, females	p. 28
<b>SAFE WORKPLACE</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25-32
Own Disclosure	Total Recordable Incident Rate	p. 30
Own Disclosure	Employee Safety Participation	p. 30

GRI standard/other source	Disclosure	Location
<b>ENVIRONMENT</b>		
<b>Reduction of CO<sub>2</sub>e emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 21-24
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	p. 23-24
	305-2 Energy indirect (Scope 2) GHG emissions	p. 22-24
<b>EFFICIENT USE OF RESOURCES</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 21-24
Own Disclosure	Water intake, cbm per ton	p. 24
Own Disclosure	Waste to land fill, thousand tons	p. 24
<b>RESPONSIBLE SOURCING</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 21-24
Own Disclosure	Share of certified natural fiber	p. 21-23
Own Disclosure	Supplier Code of Conduct compliance	p. 21-23
<b>GOVERNANCE</b>		
<b>Business ethics</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 31-32
Own Disclosure	Code of Conduct course completion	p. 31-32
<b>PRODUCTS</b>		
<b>Sustainable innovations</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 33-36
Own Disclosure	Share of new and improved products	p. 33-36

# Total number of employees

By gender and region	Female	Male
North America	419	2,059
Europe, Middle East, and Africa	740	2,860
Asia	130	478
South America	55	298

By employment type	Permanent	Temporary
Female	1,255	89
Male	5,559	136
North America	2,439	39
Europe, Middle East, and Africa	3,425	175
Asia	598	10
South America	352	<5

By employment type	Full-time	Part-time
Female	1,286	58
Male	5,651	44
North America	2,469	9
Europe, Middle East, and Africa	3,507	93
South America	608	
Asia	353	

Total number of employees: 7,039

Variations: The reduction in the number of employees is a result of the Decor divestment

Significant portion of non-employees: No

Global HR master data



# Independent Assurance Report to the Management of Ahlstrom

We have been engaged by the Management of Ahlstrom Holding 3 Oy (hereafter “Ahlstrom”) to provide limited assurance on the company’s twelve prioritized sustainability metrics within its areas of materiality presented in Ahlstrom’s Sustainability Report and its Non-financial Information Statement 2022 (hereafter “Selected Sustainability Information”) for the year ended December 31, 2022.

The Selected Sustainability Information consists of the following metrics:

## **SOCIAL:**

- Employee Net Promoter Score
- Gender balance top leaders
- Gender balance total workforce
- Total Recordable Incidents Rate
- Employee Safety Participation

## **ENVIRONMENTAL:**

- Scope 1 and 2 emissions
- Water intake
- Waste to landfill
- Share of certified natural fiber
- Supplier Code of Conduct compliance

## **GOVERNANCE:**

- Code of Conduct course completion

## **PRODUCTS:**

- Share of new and improved products

## **Management's responsibilities**

The Management of Ahlstrom is responsible for the preparation and presentation of the Selected Sustainability Information with reference to the reporting criteria, i.e. Ahlstrom’s own reporting instructions for Non-financial information and the information and assertions contained within it. The Management is also responsible for determining Ahlstrom’s objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

## **Our responsibilities**

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on the Selected Sustainability Information in accordance with

International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Management ISQM 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### Procedures performed

A limited assurance engagement on Selected Sustainability Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Sustainability Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed the members of Ahlstrom's senior management and relevant staff responsible for providing the Selected Sustainability Information;
- Assessed the application of Ahlstrom's reporting principles in the presentation of the Selected Sustainability Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Sustainability Information;
- Reviewed the presented Selected Sustainability Information and assessed its quality and reporting boundary definitions and;
- Assessed of the Selected Sustainability Information's data accuracy and completeness through a review of the original documents and systems on a sample basis.

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

### Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with Ahlstrom's own reporting instructions for non-financial information.

Helsinki, 27 March 2023

KPMG Oy Ab

**Anders Lundin**

Authorised Public Accountant, KHT

**Tomas Otterström**

Partner, Advisory

# GOVERNANCE



Ahlstrom's PawPrint® papers provide pet food brand owners functional and visually appealing pet food packaging, eliminating plastic and using fiber-based materials, while helping pet food manufacturers achieve their sustainability ambitions. Ahlstrom's PawPrint® packaging solutions utilize FluoroFree® technology to meet demanding grease-resistance needs, and additionally ensure pet food shelf-life requirements are met while achieving pet-palatability test results for the most distinguished of pet consumers.

## Replacing plastics with the support of advanced base paper technology

Ahlstrom has identified specific technology enabling highly developed base papers – a critical component to meet the barrier requirements of flexible packaging, without compromising the end-of-life benefits that renewable paper has to offer. In fiber-based packaging, barrier functionality is a key factor in developing renewable packaging solutions, enabling improved circularity and ultimately better environmental performance of global packaging systems.

Ahlstrom has the unique set of capabilities and technical applications to develop some of the strongest base papers available on the market, ideally matching barrier requirements of flexible packaging. The end-use applications Ahlstrom has commercialized are the first in the world to exhibit all the necessary attributes needed to replace traditional plastic-based structures. As an example, Ahlstrom has been able to replace plastic-based components in a traditional pet food bag with materials that can maintain freshness and storage while providing a recyclable solution. Consumers and brand owners are demanding more sustainable solutions that reduce their impact on the environment and have a positive end-of-life story – anywhere from compostability and biodegradation to recyclability.

Ahlstrom's 'from Plastic to Purpose' movement is actively innovating fiber-based solutions as a renewable packaging alternative to replace traditional, non-renewable substrates.

## GOVERNANCE

# Corporate Governance

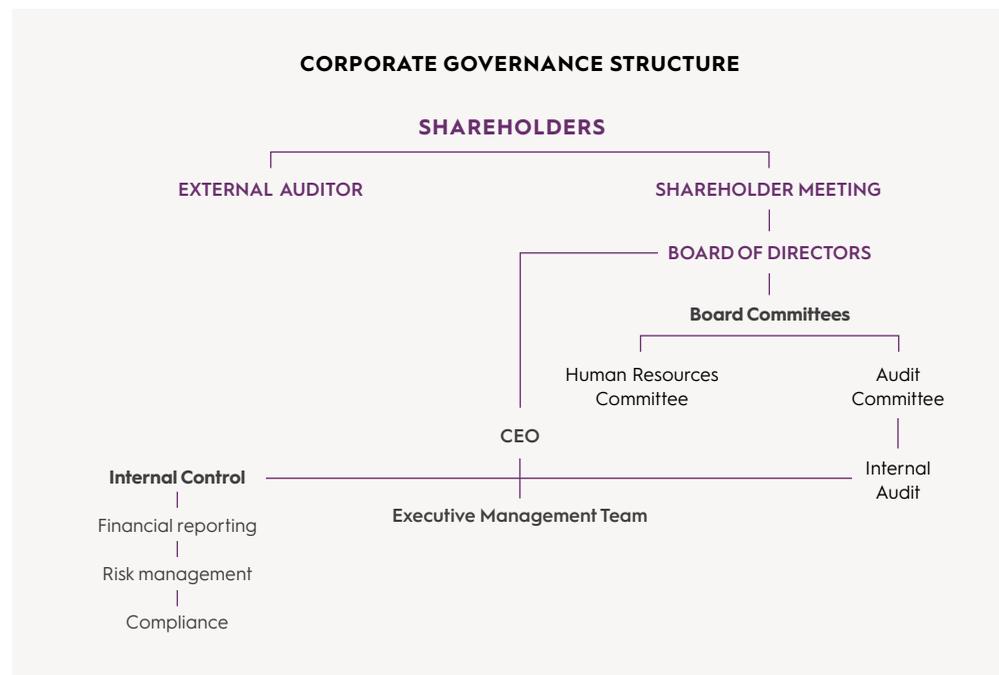
Ahlstrom Holding 3 Oy (“Ahlstrom” or the “Group”) is a Finnish public limited liability company. In its corporate governance, Ahlstrom complies with applicable laws and regulations, including without limitation, the Finnish Limited Liability Companies Act (624/2006, as amended) (“Companies Act”), as well as the Company’s Articles of Association.

## Corporate Governance Structure

Ahlstrom’s governance is based on a clear division of duties between the shareholders, the Board of Directors (the “Board”), and the CEO. The shareholders’ meeting is the forum for the shareholders to assert their decision-making powers as owners of the company. The Board and the CEO are responsible for the management of the company, and the Executive Management Team (EMT) supports the CEO in this task.

## Shareholders’ Meetings

The Shareholders’ Meeting is composed of the shareholders of the company and is the company’s highest decision-making body. Its tasks and procedures are defined in the Companies Act and the Company’s Articles of Association. Certain important matters, such as amending the Articles of Association, adoption of the Financial Statements, approval of the dividend, return of equity to the shareholders, repurchase and distribution of company shares, election of the members of the Board and the auditors fall within the sole jurisdiction of the Shareholders’ Meeting.



The Annual General Meeting of the shareholders is convened by the Board and handles the matters presented on the agenda by the Board. The Annual General Meeting shall be held within six (6) months of the end of the financial year. An Extraordinary General Meeting shall be held whenever the Board deems necessary, the auditor of the company or shareholders with at least 10 per cent of the shares so demand in writing in order to deal with a given matter, or if this is otherwise required by law.

The shareholders of the company may also resolve on matters within the mandate of the Shareholders' Meeting through written resolutions.

### Annual General Meeting

On April 6, 2022, it was resolved that Ivano Sessa (chair), Andrej Busch, Alexander Ehrnrooth, Lasse Heinonen, Halvor Meyer Horten, Peter Seligson and Michael Siefke were re-elected as members of the Board of Directors of Ahlstrom Holding 3 Oyj. All Board members were independent of the company, while none were independent of the company's significant shareholders.

Ivano Sessa (chair), Alexander Ehrnrooth, Lasse Heinonen, Halvor Meyer Horten, Helen Mets, Peter Seligson, Michael Siefke and Kar-Henrik Sundström were re-elected as members of the Board of Directors of Ahlstrom Oyj. Helen Mets' Board assignment was terminated in connection with her appointment as President and CEO of Ahlstrom effective January 1, 2023.

### The Board of Directors

The role of the Board is to manage the company's business in the best possible way and in its work protect the interests of the company and its shareholders. In accordance with the Articles of Association of Ahlstrom, the Board shall consist of a minimum of four (4) and a maximum of twelve (12) members elected by the

General Meeting. The members of the Board of Directors shall be appointed for one year at a time.

The composition of the company's Board shall reflect the requirements set by the Company's operations and development stage. A person elected as a Director must have the competence required for the position and the ability to devote a sufficient amount of time to attending to the duties. The number of Directors and the composition of the Board of Directors shall be such that they enable the Board of Directors to see to its duties efficiently.

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the company. The Board is responsible for the management of the company and its business operations. Additionally, the Board is responsible for the appropriate arrangement of the bookkeeping and financial administration.

The operating principles and main duties of the Board have been defined in the Procedural Rules for the Board of Directors and include, among other things, to:

- establish business objectives and strategy,
- appoint, continuously evaluate and, if required, remove the CEO from office,
- ensure that there are effective systems in place for monitoring and controlling the Group's operations and financial position compared to its stated objectives,
- ensure that there is satisfactory control of the company's compliance with laws and other regulations applicable to the company's operations,
- ensure that guidelines to govern the company's and the Group's ethical conduct are adopted, and
- ensure that the company's external disclosure of information is marked by openness and is correct, timely, relevant and reliable

The Board adopts Group wide policies which steer the governance of the Group. Under the policy framework, management adopts directives, guidelines, and other practical implementation documentation.

### Board Committees

The Board may appoint permanent or non-permanent committees. The composition, duties and working procedures of the Committees are defined by the Board in the adopted for the Committees. The Committees regularly report on their work to the Board. All Board members have the right to attend Board Committee meetings and have access to all information relating to the Board Committees' work regardless of whether he or she is a member of the Committee in question.

Ahlstrom has appointed two permanent committees; Ahlstrom Holding 3 Oy has established an Audit Committee with Halvor Meyer Horten (Chairman), Alexander Ehrnrooth and Lasse Heinonen as members; Ahlstrom Oyj has established a Human Resources Committee with Ivano Sessa (Chairman), Peter Seligson and Michael Siefke.

### Audit Committee

The Audit Committee assists and supports the Board in its oversight of financial and regulatory matters, such as the company's financial reporting process and internal controls over financial reporting, audit process and independence of the auditor, internal audit function, and the company's compliance with legal and regulatory requirements. In addition, the Audit Committee monitors and regularly reviews the efficiency of the system of internal control and risk management. The Committee makes recommendations for the appointment of the external auditor and the auditor's compensation and approves the audit plan.

The Audit Committee comprises at least three members who are independent of the company. The members of the Committee must have expertise to evaluate and

oversee the company's accounting, external audit, and internal audit functions. The members also must have understanding and experience in analyzing and evaluating the company's financial statements, internal controls over financial reporting and application of accounting principles.

The Audit Committee meets regularly, at least four times a year. The meeting agendas are based on the annual calendar set out in the Audit Committee Charter and other matters which require the Committees attention and input. The company's CEO, CFO and other relevant finance management attend the Committee meetings. The auditor also attends the Audit Committee meetings. The General Counsel acts as the secretary of the Committee. External and internal audit report on their audit work in the Committee meetings. The Committee chair also meets the external and internal auditors without the management being present.

### Human Resources Committee

The Human Resources Committee consists of at least three (3) members, the majority of whom shall be Board members who are independent of the company. Representatives of the company's senior management may not be members of the Committee.

According to its Charter, the Human Resources Committee assists the Board to ensure that all human capital related topics, such as ethics and values, resourcing strategy, competence and performance management as well as remuneration arrangements, support the strategic aims of the business and enable the recruitment, development, motivation and retention of key personnel while complying with regulatory and governance requirements, and satisfying the expectations of shareholders. The Committee further provides guidance in human capital related corporate social responsibility and diversity matters. The Human Resources Committee further assists the Board in the efficient preparation and handling of the

matters pertaining to the appointment and dismissal of the CEO and other executives and their remuneration.

## CEO

The CEO is appointed by the Board and his/her service contract is approved by the Board. The CEO is in charge of the day-to-day management of the company.

The duties of the CEO are governed primarily by the Companies Act and the CEO instruction, and the CEO leads the operational activities and prepares information and decisions to support the Board and presents his findings at Board meetings.

In accordance with the Companies Act, the CEO has a right to decide on certain urgent matters which otherwise would have required a Board decision.

## Executive Management Team (EMT)

The EMT is chaired by the CEO. The members of the Executive Management Team are proposed by the CEO and appointed by the Board, and they report to the CEO. The EMT is composed of the CEO, the CFO, heads of Divisions and functional EVP's. The EMT meets bi-weekly or if required on a more frequent basis.

The Divisions comprise the Business Units which operate their respective lines of business. The CEO, CFO and other functional leaders meet with division leadership on a monthly basis to discuss the divisions' performance and financial status.

In addition, the EMT meets to discuss issues concerning group performance, strategy, budget, forecasting, business development and other matters relating to the Group.

In accordance with the policies and guidelines established by the Board, group functions are responsible for strategy development, distribution of financial resources between the Group's operations, capital structure and risk management.

Their duties also include matters concerning group-wide research and development, sustainability, acquisitions and disposals, procurement, consolidated financial reporting, human resources, internal and external communications, IT, legal matters and compliance. The Chief Operating Officer coordinates operations and major capital expenditure projects as well as safety, environment, and occupational health.

## Remuneration

The remuneration of the members of the Board of Directors and its committees are decided by the Shareholders Meeting.

The Board of Directors decides on the remuneration of the CEO based on a proposal by the Human Resources Committee within the confines of the Remuneration Policy. The Board of Directors also decides on the remuneration of the senior executives based on a proposal by the CEO, which is reviewed by the Human Resources Committee.

The objective of remuneration is to promote the long-term financial success and competitiveness of the company and the favorable development of stakeholder value. Remuneration is based on predetermined and measurable performance and result criteria.

The company has a Remuneration Policy defining the principles of the remuneration of the company's governing bodies.

Remuneration of the Board of Directors and Executive Management Team is presented in note 8 in the Financial Statements 2022.

## Auditor

The Annual General Meeting elects the auditor of Ahlstrom. The auditor shall be an authorized public accounting firm which then appoints a responsible auditor. The Audit Committee prepares the proposal on the appointment of the company's

auditors, which is then presented by the Board to the Annual General Meeting for decision. The compensation paid to the auditor is decided by the Annual General Meeting and is assessed annually by the Audit Committee.

The auditor's responsibility is to audit the correctness of the Group's accounting in the and to provide an auditor's report to the General Meeting. In addition, the auditor also monitors the lawfulness of the company's administration. The auditor reports to the Board of Directors at least once a year.

The Company's subsidiaries are subject to auditing under local regulations. The Subsidiary audits are conducted by the representatives of the auditing firm network or other high standard audit companies in each country.

### Risk Management

The Group has a Risk Management Policy, which is reviewed annually by the Board of Directors. The policy sets out the principles for the risk management process as well as the split of responsibilities and reporting within the Group, to ensure that risks are properly managed and monitored.

The Board of Directors, assisted by the Audit Committee, is responsible for the risk oversight within the Group while the CEO is responsible for assessing and reporting the Group's consolidated risk exposure to the Audit Committee.

Ahlstrom has defined a process for assessing, mitigating and monitoring risks to support the achievement of strategic goals and business objectives. The risks are primarily identified by the divisional and Group management teams in accordance with the Group Risk Management Policy. The Executive Management Team is required to update the risk evaluation at least once a year. The format and methodology used for the risk evaluation is an Enterprise Risk Management (ERM) framework.

In Ahlstrom the main principle is to manage risks at their source, i.e. within the division, business unit, plant or function where risks may occur. Risk treatment

and monitoring actions for the assessed risks are defined and carried out by the appropriate management at different levels of the organization. To realize economies of scale and to ensure appropriate Group-level control, certain risk management activities such as the establishment of Group-wide insurance programs and management of the Group's financial risks are centralized.

### Internal control and risk management systems in relation to financial reporting

The Board of Directors and the CEO have the overall responsibility for the internal controls. The CEO is responsible for ensuring that processes and procedures are available to safeguard the internal controls and quality in financial reporting. The structure and steering documents in the form of policies, guidelines and instructions provide the basis for ensuring the maintenance of quality in the internal controls and financial reporting. The divisions and group functions are responsible for applying these policies and guidelines to achieve efficient and appropriate controls on the basis of their individual circumstances and operational contexts.

The internal control and risk management systems relating to financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and to assure compliance with applicable laws and regulations.

The internal control framework has been created using a risk based approach and it includes elements from the framework introduced by the Committee of Sponsoring Organizations (COSO). There are five principle components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. Financial procedures are carried out at the unit level and in country or regional teams. Most of the controls are carried out by the same teams.

Detailed financial reports are produced each month, on both a divisional and Group level. The company's primary reporting segments are based on the company's

divisions. An important part of the Group's internal control process are the meetings, which are held within each division, where the CEO and CFO, functional management and the group business controller, together with the operational management of the division, review the month's outcome in comparison with projections, etc. At these meetings, reviews and analysis are carried out on, among other things, the market situation, order bookings, earnings trend, cash flow, tied-up capital and environmental performance.

Financial reporting is carried out in a harmonized manner in all Group companies. Ahlstrom's accounting principles are based on the International Financial Reporting Standards (IFRS). In addition to IFRS, more specific group policies and guidance are provided in the company's accounting manual (Digital Finance Manual). The company's Finance function is responsible for maintaining the company's accounting policies and reporting systems, and also performs monitoring to ensure that these reporting policies are followed. The Group's business segments are consolidated at the Group Finance function. On a quarterly basis also local management provide their sign off and assurance for the correctness of the reported figures and for the adequate internal controls in place.

### Internal Audit

Ahlstrom's Internal Audit is an independent and objective assurance function with the purpose to improve the effectiveness of the business processes and to ensure compliance with company's policies and procedures and applicable laws and regulations. It evaluates and improves the effectiveness of the control, risk management and governance processes, and facilitates the implementation of best practices to ensure that various risk management, control and governance processes are adequate and functioning as planned.

The Audit Committee is responsible to oversee that the Internal Audit is properly organized. Since 2017, Ahlstrom's Internal Audit function has been outsourced to a global service provider with relevant expertise in this area.

Administratively, Internal Audit reports to the CEO and CFO as well as to the Audit Committee. Internal Audit conducts regular process audits, site and subsidiary audits as well as audits at other Group units in accordance with the audit plan approved by the Audit Committee. Internal Audit reports regularly on its activities to the Audit Committee and to the Executive Management Team. It also makes recommendations to the Executive Management Team members and local management based on its observations and monitors the implementation of the action plans made based on its recommendations. Internal Audit is coordinated with the work of other assurance functions to avoid overlapping and to identify any gaps in controlling and monitoring.

### Related Party Transactions

The company evaluates and monitors transactions concluded between the company and its related parties to ensure that any conflicts of interest are identified and taken into account appropriately in the decision-making process of the company. The company keeps a document on parties and individuals that are related to the company as well as the principles and procedures for monitoring and valuating related party transactions and the decision making related thereto.

### Compliance

It is the policy of Ahlstrom to comply throughout the organization with all applicable laws and regulations and to maintain an ethical workplace for its officers and employees as well as an ethical relationship with its customers, suppliers and other business partners.

The Board of Directors has approved the Code of Conduct and the key compliance policies for the company. The company's compliance approach is based on the following elements:

- Management commitment and leadership on compliance
- The Code of Conduct and other key compliance policies
- Compliance controls, monitoring, communication, education and training
- Whistleblowing channel
- Disciplinary actions

The Board of Directors, assisted by its Audit Committee, is responsible for overseeing how compliance is organized and managed at the company. The Chief Compliance Officer is responsible for supporting the Board and senior management in implementing compliance.

All employees are expected to complete Code of Conduct course which needs to be renewed biannually and is part of Ahlstrom introduction package for new hires.

The company has a group-wide externally maintained whistleblowing system, SpeakUp, where all employees may report unethical or unlawful activity.

### Sustainability Governance

The Ahlstrom Sustainability Policy defines the formal sustainability governance structure and includes a commitment to UN Global Compact, decarbonization in line with Science Based Target Initiative and the continuous improvement in the material topics. The Sustainability Policy is available on the company's website.

The company's sustainability work is governed by the EMT and lead by dedicated member (EVP) of the EMT. Sustainability is a standing item on the EMT agenda and CEO reports progress regularly to Board. EMT has the responsibility to approve the group Sustainability ambition, targets and Key Performance Indicators. The Sustainability & Public Affairs function is responsible for implementation of the

sustainability agenda across the divisions and functions as well as continuously monitor progress and report progress and deviations on regular basis.

In addition to the Sustainability Policy, Ahlstrom governs sustainability issues with the following policies and commitments:

- Green Claim Guidebook
- Modern Slavery Act Statement
- Code of Conduct
- Supplier Code of Conduct
- Tax Policy
- Anti-Bribery Policy
- United Nations Global Compact
- Wisconsin Landowner Guide (North America)
- A-M North America Sustainability Community Education
- Wisconsin Forestry Sustainability Policy
- U.S. Medical Transparency Compliance
- US Medical Transparency Compliance

[Read more](#)

### Insiders

The parent company of Ahlstrom, Ahlstrom Holding 3 Oy, has issued bonds which are listed on The International Stock Exchange (TISE) in Guernsey. The Market Abuse Regulation is not directly applicable to the company or its listed bonds, but Ahlstrom applies strict procedures on confidentiality of sensitive information and trading in the bonds. No trading is permitted during closed window periods preceding the issuance of quarterly interim reports. To the extent confidential information is determined to have a significant effect on the value of Ahlstrom's listed bonds, additional trading restrictions are enforced for all persons having access to such confidential information.

## GOVERNANCE

# Board of Directors

## Ahlstrom Holding 3 Oy



### Ivano Sessa

Chairman of the Board since 2020

Born 1977, Italian citizen  
BS (Business Administration)

#### Main occupation

Partner, Bain Capital Private Equity

#### Primary working experience

Bain Capital Private Equity since 2004, Partner and Co-Head of the Industrials vertical; Bain & Company, consultant 1999–2004; Member of the Board: Fedrigoni Group, ITP Aero, Italmatch, MSX International.



### Andrej Busch

Member of the Board since 2021

Born 1975, German citizen  
Doctorate in Law

#### Main occupation

Partner, Bain Capital Private Equity

#### Primary working experience

Bain Capital Private Equity since 2016, CEO of DHL Parcel Europe, Head of Marketing and subsequently CEO of the German parcel network of DHL, consultant at McKinsey & Company.



### Alexander Ehrnrooth

Member of the Board since 2020

Born 1974, Finnish citizen  
M.Sc. (Econ.), MBA

#### Main occupation

President and CEO, Virala Oy Ab

#### Primary working experience

Ahlstrom Corporation, Member of the Board 2015–2017; Fiskars Corporation, Member of the Board 2000–2018; Munksjö Corporation, Member of the Board 2014–2017; Wärtsilä Corporation, Member of the Board 2010–2015; YIT Oyj 2019–2022; Purmo Group Oyj 2021–.



### Lasse Heinonen

Member of the Board since 2020

Born 1968, Finnish citizen  
M.Sc. (Econ.)

#### Main occupation

President and CEO, Ahlström Capital Oy

#### Primary working experience

Tieto Plc, CFO 2011–2018 and Head of Telecom, Media & Energy 2015–2016; Finnair Oyj, various leadership roles eg. EVP Cargo & Aviation Services, Deputy CEO and CFO 2004–2011; Novartis Pharma and Sandoz, Managerial positions in finance and logistics in Novartis Pharma and Sandoz in Finland, Turkey and Switzerland 1992–2004.



**Halvor Meyer Horten**

Member of the Board since 2020

Born 1981, Norwegian citizen  
MSc (Econ.)

**Main occupation**

Partner, Bain Capital Private Equity

**Primary working experience**

Bain Capital Private Equity since 2010, Partner in the Industrials Vertical leading Paper & Packaging, and Lead of Nordic activities across sectors; McKinsey 2007–2010, consultant; Member of the Board of Fedrigoni Group.



**Peter Seligson**

Member of the Board since 2020

Born 1964, Finnish citizen  
Lic.oec (HSG)

**Main occupation**

Group Strategy Officer and Chairman of the Board of A.Ahlström Oy and Ahlström Invest B.V.

**Primary working experience**

Seligson & Co Rahastoyhtiö Oyj, Partner, Alfred Berg Finland, Managing Director 1991–1997, Arctos Securities, Head of Sales and Trading 1987–1991.



**Michael Siefke**

Member of the Board since 2020

Born 1967, German citizen  
PhD (Business Administration), MBA

**Main occupation**

Partner, Bain Capital Private Equity

**Primary working experience**

Bain Capital Private Equity since 2001, Partner and Co-Head of the European Private Equity team and Global Head of the Industrials Vertical; Carlyle 1998–2001, Investment Manager; Member of the Board: Wittur, Stada and Centrient.

## GOVERNANCE

# Board of Directors

Ahlstrom Oyj


**Ivano Sessa**

Chairman of the Board since 2021

Born 1977, Italian citizen  
BS (Business Administration)

**Main occupation**

Partner, Bain Capital Private Equity

**Primary working experience**

Bain Capital Private Equity since 2004, Partner and Co-Head of the Industrials vertical; Bain & Company, consultant 1999–2004; Member of the Board: Fedrigoni Group, ITP Aero, Italmatch, MSX International.


**Alexander Ehrnrooth**

Member of the Board since 2014

Born 1974, Finnish citizen  
M.Sc. (Econ.), MBA

**Main occupation**

President and CEO, Virala Oy Ab

**Primary working experience**

Ahlstrom Corporation, Member of the Board 2015–2017; Fiskars Corporation, Member of the Board 2000–2018; Munksjö Corporation, Member of the Board 2014–2017; Wärtsilä Corporation, Member of the Board 2010–2015; YIT Oyj 2019–2022; Purmo Group Oyj 2021–.


**Lasse Heinonen**

Member of the Board since 2018

Born 1968, Finnish citizen  
M.Sc. (Econ.)

**Main occupation**

President and CEO, Ahlström Capital Oy

**Primary working experience**

Tieto Plc, CFO 2011–2018 and Head of Telecom, Media & Energy 2015–2016; Finnair Oyj, various leadership roles eg. EVP Cargo & Aviation Services, Deputy CEO and CFO 2004–2011; Novartis Pharma and Sandoz, Managerial positions in finance and logistics in Novartis Pharma and Sandoz in Finland, Turkey and Switzerland 1992–2004.


**Halvor Meyer Horten**

Member of the Board since 2021

Born 1981, Norwegian citizen  
MSc (Econ.)

**Main occupation**

Partner, Bain Capital Private Equity

**Primary working experience**

Bain Capital Private Equity since 2010, Partner in the Industrials Vertical leading Paper & Packaging, and Lead of Nordic activities across sectors; McKinsey 2007–2010, consultant; Member of the Board of Fedrigoni Group.



### Helen Mets-Morris

Member of the Board November 2021–December 2022

Born 1969, British and Dutch citizen  
BA (Hons), Business & Finance, MBA

#### Primary working experience:

DSM Resins & Functional Materials, Senior Vice President and CEO 2017–2021; Pan Equipment Division, Senior Vice President & Managing Director 2013–2017; Avery Dennison Graphics and Reflectives, Vice President & Managing Director 2007–2013.



### Peter Seligson

Member of the Board since 2021

Born 1964, Finnish citizen  
Lic.oec (HSG)

#### Main occupation

Group Strategy Officer and Chairman of the Board of A.Ahlström Oy and Ahlström Invest B.V.

#### Primary working experience

Seligson & Co Rahastoyhtiö Oy, Partner, Alfred Berg Finland, Managing Director 1991–1997, Arctos Securities, Head of Sales and Trading 1987–1991.



### Michael Siefke

Member of the Board since 2021

Born 1967, German citizen  
PhD (Business Administration), MBA

#### Main occupation

Partner, Bain Capital Private Equity

#### Primary working experience

Bain Capital Private Equity since 2001, Partner and Co-Head of the European Private Equity team and Global Head of the Industrials Vertical; Carlyle 1998–2001, Investment Manager; Member of the Board: Wittur, Stada and Centrient.



### Karl-Henrik Sundström

Member of the Board since 2021

Born 1960, Swedish citizen  
Bachelor (Business Administration), Advanced Management Program at Harvard

#### Main occupation

Member of the Board at Vestas, NXP Semiconductors and Mölnlycke

#### Primary working experience

Stora Enso, CEO 2014–2019, CFO 2012–2013, Executive Vice President for division Paper and Wood Products 2013–2014; NXP Semiconductors, CFO 2008–2012; Ericsson 1985–2007, several managerial positions in Ericsson, including CFO; Vice Chairmen Boliden, Board member Vestas, NXP Semiconductors and Mölnlycke Healthcare.

## GOVERNANCE

# Executive Management Team


**Helen Mets-Morris**

President and CEO as of January 1, 2023

Born 1969, British and Dutch citizen  
BA (Hons), Business & Finance, MBA

**Primary working experience:**

Ahlstrom-Munksjö Oyj, Member of the Board November 2021–December 2022; DSM Resins & Functional Materials, Senior Vice President and CEO 2017–2021; Pon Equipment Division, Senior Vice President & Managing Director 2013–2017; Avery Dennison Graphics and Reflectives, Vice President & Managing Director 2007–2013.


**Jorn P. Jensen**

Chief Financial Officer (CFO) as of December 1, 2022

Born 1964, Danish citizen  
M.Sc. (Econ.)

**Primary working experience**

Dyson Ltd, Group CFO, 2017–2021; Carlsberg A/S and Carlsberg Breweries A/S, Deputy CEO and CFO, 2007–2015; Carlsberg A/S and Carlsberg Breweries A/S CFO 2004–2007; Carlsberg A/S, CEO, 2001–2004; Carlsberg A/S, CFO, 2000–2001.


**Daniele Borlatto**

Executive Vice President, Filtration

Born 1969, Italian citizen  
High School, Business and Administration

**Primary working experience**

Ahlstrom-Munksjö, Executive Vice President, Industrial Solutions 2017–2019; Munksjö Oyj, Executive Vice President and President for Release Liners 2013–2017; Ahlstrom Corporation, Executive Vice President, Label and Processing 2011–2013; Ahlstrom Corporation, Vice President, Release & Label business unit and Supply Chain Label & Processing business area 2010–2011; Ahlstrom Corporation, Senior Vice President, Release & Label Papers and member of Corporate Executive Team 2007–2010. Mr. Borlatto was employed at Ahlstrom Corporation between 1990–2013.



### Robin Guillaud

Executive Vice President, Sustainability, Innovation & Marketing

Born 1976, French citizen  
M.Sc. (Tech.) and MBA

#### Primary working experience

Ahlstrom-Munksjö, Vice President, Business Development, Filtration and Performance Solutions 2017–2020; several positions at Ahlstrom such as Vice President, Industrial Nonwovens 2015–2017; Marketing Manager, Building and Energy 2012–2015; Product Manager, Technical Nonwovens 2010–2012; Sales Director, Technical Nonwovens 2008–2010; Marketing Manager, Food Product Line UK 2004–2008; Sales and Marketing Manager in Atlanta, USA 2000–2004.



### Andreas Elving

Executive Vice President, Legal and General Counsel

Born 1976, Swedish citizen  
Master of Laws from Uppsala University

#### Primary working experience

Autoliv Inc., Associate General Counsel 2015–2016; Mannheimer Swartling Advokatbyrå AB, Senior Associate 2014–2015; Mannheimer Swartling (China), Senior Associate 2010–2014; Mannheimer Swartling Advokatbyrå AB, Associate/Senior Associate 2004–2010; District Court of Stockholm, Law Clerk 2002–2004.



### Sophie Haan

Executive Vice President, Technical Materials

Born 1973, Belgian citizen  
M.Sc. (Econ.) and MBA

#### Primary working experience

Allnex, Global Business Director, Crosslinker business unit 2020–2022 and several managerial positions at Allnex from 2014–2020; Tessenderlo Group, Global Business Unit Director for Inorganics business 2012–2014 and various managerial positions at Tessenderlo Group from 2009–2012; Accenture, Senior Manager for Supply Chain Global Service Line, 2001–2008.



### Jacques Lafon

Executive Vice President, Healthcare, as of January 1, 2023

Born 1967, French citizen  
M.Sc. (Information Technology)

#### Primary working experience

Private entrepreneur, consultant 2021–2022; Cardinal Health, President EMEA, Medical Segment 2019–2021, and several managerial positions from 2015–2019; Hillrom 2014–2015 Vice President & General Manager South Europe and several managerial positions 1997–2014.



### Emmanuelle Picard

Executive Vice President, Building Materials

Born 1974, French citizen  
Ingénieur, M.Sc. (Engineering)

#### Primary working experience

Wipac, Managing Director, West region Europe 2020–2022; Imerys, General Manager for Performance Additives, EMEA 2017–2019; ITW Construction, Vice President & General Manager, Continental Europe 2016–2017; Saint-Gobain, General Manager for Industrial Fabrics Europe, Adfors 2013–2016; and several positions at Saint-Gobain from 2003–2013.



### Tarja Takko

Executive Vice President, People & Culture

Born 1968, Finnish citizen  
M.Sc. (Econ.), M.Sc. (Soc.)

#### Primary working experience

Ahlstrom-Munksjö Oyj, Vice President, Human Resources 2018–2019; Qf Company, Global Head of Human Resources 2017–2018; Ahlstrom Corporation, Vice President, HR Development 2010–2017; various managerial positions at Nokia and Nokia Siemens Networks before 2010.



### Mark Ushpol

Executive Vice President, Food & Consumer Packaging

Born 1963, U.S. citizen  
Bachelor of Commerce (B.Com.), Business/Managerial Economics

#### Primary working experience

DS Smith, North America Packaging Division, Managing Director, 2019–2021; Mondi Group, President, Industrial Bags North America 2015–2019; Domtar, President, Personal Care North America, 2013–2014; Domtar, President, Ariva, 2010–2013; Mondi Group, various VP positions in marketing and sales in Durban, South Africa and Vienna, Austria 1997 to 2009.



### Markus Westerkamp

Chief Operating Officer (COO)

Born 1965, German citizen  
M.Sc. (Tech.)

#### Primary working experience

Ahlstrom-Munksjö, Vice President, Food Packaging 2018–2019; Ahlstrom-Munksjö and Ahlstrom, Vice President, Supply Chain, Filtration & Performance Solutions 2014–2018; held various executive and managerial positions at Ahlstrom-Munksjö from 1995 to 2012; before that held various managerial positions at MD Papier from 1990 to 1995.



**CONTACT INFORMATION**

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