ANNUAL REPORT 2024

This is Suominen

Suominen manufactures nonwovens as roll goods for wipes and other applications. Our vision is to be the frontrunner for nonwovens innovation and sustainability. The end products made of Suominen's nonwovens are present in people's daily life worldwide. Suominen's net sales in 2024 were EUR 462.3 million, and we have over 700 professionals working in Europe and in the Americas. Suominen's shares are listed on Nasdaq Helsinki.

Net sales, EUR million

462.3

Employees

736

Comparable EBITDA, EUR million

17.0

Share of new products of net sales

34%

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Suominen today

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Suominen has two business areas, the Americas and EMEA. In 2024, net sales of the Americas business area amounted to EUR 287.9 million and the EMEA business area to EUR 174.4 million.

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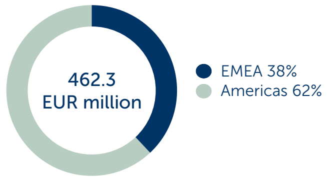
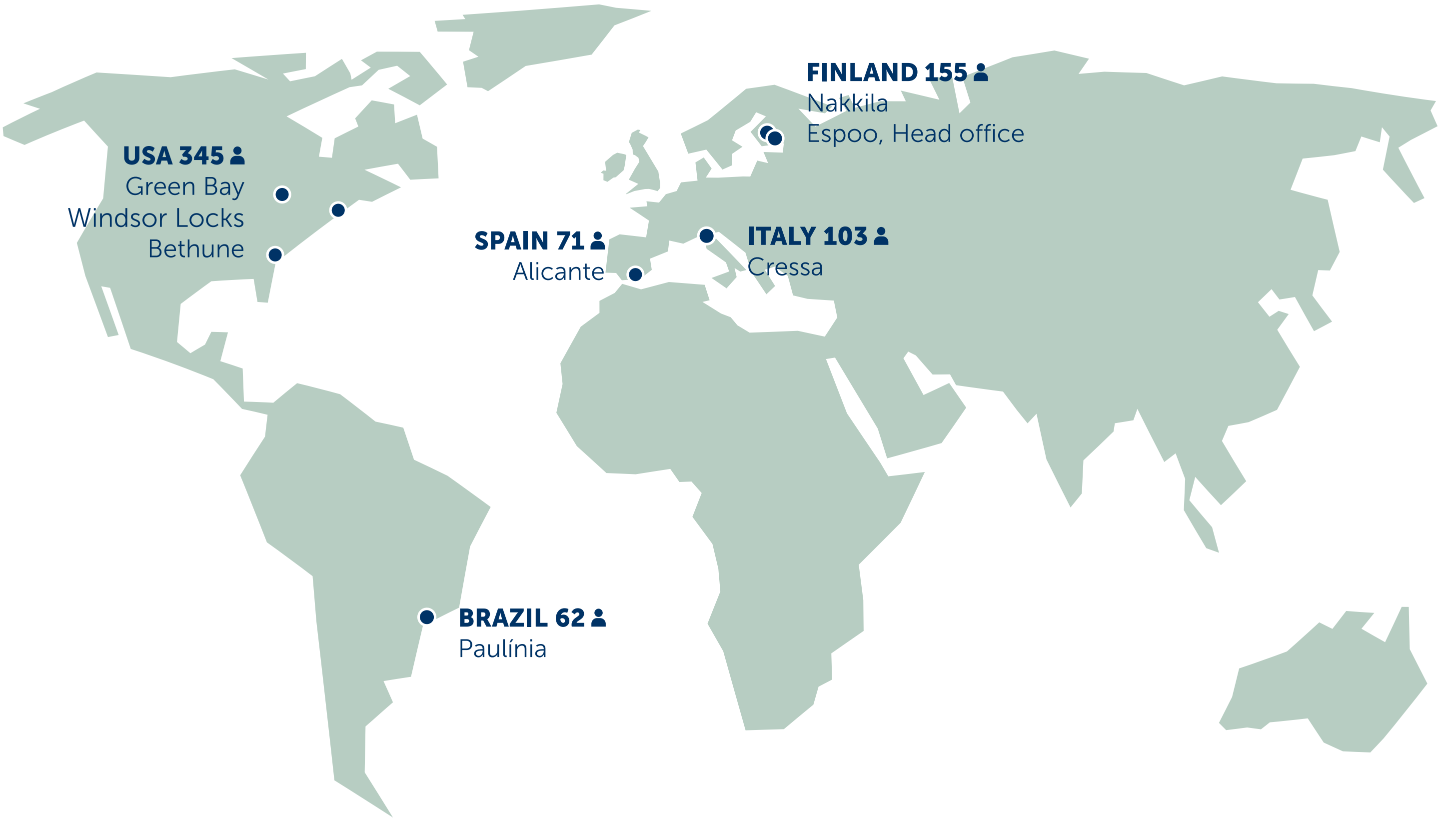
Net sales by business area





President & CEO's review

In 2024 we encountered both successes and difficult moments. We saw gradual improvement driven by both commercial and operational excellence in the beginning of the year, but the second half of the year was challenging for us.

We will continue to take determined actions to improve our financial and operational efficiency.

Comparable EBITDA, EUR million

17.0

Share of new products of net sales was

34%

Net sales, EUR million

462.3

Sales of sustainable products increased*

87%

* Compared to base year 2019

We encountered operational issues and took immediate actions to address them. The recovery was fast and there was no impact on our customer relationships. Nevertheless, we endured unplanned production downtime and additional expenses.

Regardless of the challenges, we reached our EBITDA guidance, as our comparable EBITDA increased from the previous year and was EUR 17.0 million (+8%). The main contributor to the improvement was higher sales margins driven by the actions we took in commercial excellence. Our net sales in 2024 were EUR 462.3 million (+2.5%).

We will continue to take determined actions to improve our financial and operational efficiency.

Sustainability and innovation at the core of everything we do

The cornerstones of our strategy are sustainability and innovations, and we continuously develop our capabilities, offerings and operations accordingly – especially in terms of sustainability.

Sustainability is a priority for our customers and other stakeholders alike. The wiping materials for the nonwovens market is evolving rapidly and growing fast, with a strong shift toward more sustainable alternatives. Aligned with our strategy, we have set targets to increase sales of sustainable products and to continuously develop new environmentally friendly nonwoven materials. We strive to enable our customers to enhance their sustainability efforts mainly through our new product offering and contribute to a more sustainable future. In 2024, we increased the sales of sustainable products by 87%, exceeding our target of a 50% increase compared to the base year 2019. Our target is also to launch over 10 sustainable products annually, and in 2024, we launched 11 such products.

Aligned with our strategy and vision to be the frontrunner in sustainability and innovation in the nonwoven arena, we made investments during the year to enhance our capabilities in sustainable products. In August, we announced an investment for a new production line at our site in Alicante, Spain. The EUR 20 million investment addresses the growing demand for sustainable nonwovens in Europe, with completion expected at the end of 2025. Earlier, in May, we announced plans to upgrade a production line in Bethune, South Carolina, USA, further strengthening our leadership and capabilities in sustainable nonwovens in the Americas market. The project is on track, targeted to be completed in the first half of 2025.

Our strong ability to innovate and respond to market needs and trends is reflected in the share of new products of our net sales, which is 34%. By new products, we mean products launched less than three years ago.

Occupational safety is a priority for us, and our goal is zero accidents. In 2024, we had 4 lost time accidents. We initiated a safety awareness campaign to highlight the importance of safety procedures.

Strengthening employee engagement is another key people-related target for us. In 2024, we conducted our fifth consecutive global employee engagement survey. The response rate was good, and the results help us identify factors that are positively affecting employee engagement as well as areas where we still have opportunities for improvement.

In 2024, we took part in the EcoVadis sustainability assessment for the third time and improved our score from silver to gold level.

In 2024, we took part in the EcoVadis sustainability assessment for the third time and improved our score from silver to gold level. The result places Suominen in the top 1% of companies in the manufacture of other textiles industry and in the top 5% of all companies in all industries rated by EcoVadis.

Towards the future

Looking ahead, we see that the market demand continues to be solid. However, the competition has tightened due to the geopolitical tensions and increased imports from low-cost countries. We have a comprehensive portfolio of new products which partly mitigates the effects of the imports and we are currently investing in our product lines to be able to further increase the share of new and more sustainable products in our sales mix. We continue to improve the overall effectiveness of our organization and ways of working.

I want to extend my heartfelt thanks to our shareholders, customers, and partners for their invaluable collaboration. Above all, I want to express my gratitude to our employees for their commitment and contributions. Together, with determination and a shared vision, I am confident that we will continue to achieve our goals and reach new heights.

Tommi Björnman
President & CEO

Financial targets

Targets 2020–2025

Net sales growth during the period: above relevant market growth

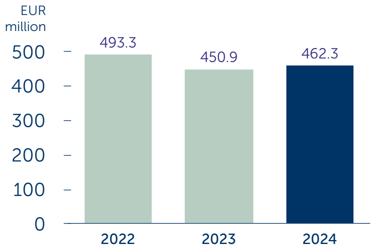
EBITDA margin by 2025: above 12%

Gearing during the period: 40–80%
including the effect of IFRS 16 Leases

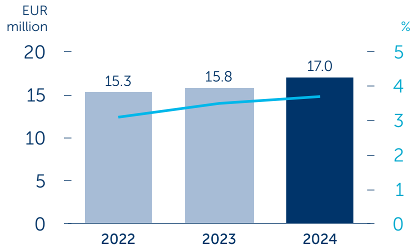
How to get there?

GROWTH	PROFITABILITY	GEARING
Focus on fast-growing sustainable products category Innovation and launching of new products to capture market share Targeted investments to improve capabilities and increase capacity	Effective utilization of production lines Margin improvement through new products as well as production and raw material efficiency Continued fixed cost control	Balanced investment plan Healthy cash flow from operations

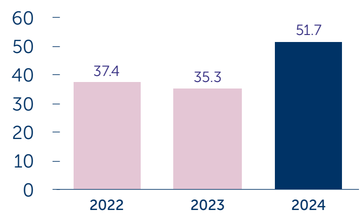
Net sales, EUR million



Comparable EBITDA and EBITDA margin



Gearing, %

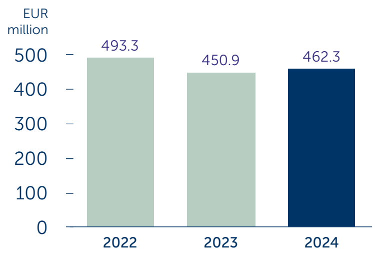


Key figures

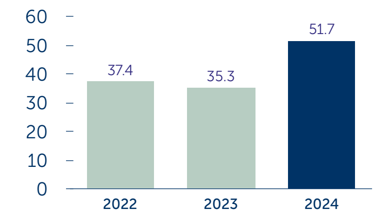
FINANCIAL	2024	2023
Net sales, EUR million	462.3	450.9
Comparable EBITDA, EUR million	17.0	15.8
EBITDA, EUR million	17.2	11.2
Comparable operating profit, EUR million	-1.4	-2.8
Profit for the period, EUR million	-5.3	-12.8
Earnings per share, EUR	-0.09	-0.22
Dividend, EUR	0.00*	0.10
Cash flow from operations, EUR million	3.9	30.7
Cash flow from operations per share, EUR	0.07	0.53
Capital expenditure, EUR million	16.0	11.2
Equity ratio, %	37.9	39.5
Equity per share, EUR	2.04	2.17
Gearing, %	51.7	35.3
Return on invested capital (ROI), %	-0.7	-4.1
EMPLOYEES	**2024**	**2023**
Number of employees	736	673
Number of lost time accidents	4	6
ENVIRONMENT	**2024**	**2023**
Energy consumption, MWh	524,735	490,558
Greenhouse gas emissions, tons of CO_2 eq.	94,800	95,916**
Water intake, ML	7,490	6,825
Process waste to landfill, tons	5,337	5,081

* Proposal by the Board of Directors to the Annual General Meeting
** Restated

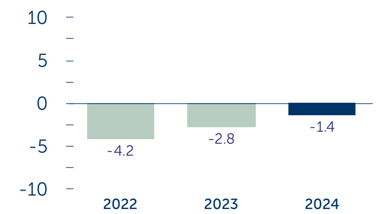
Net sales, EUR million



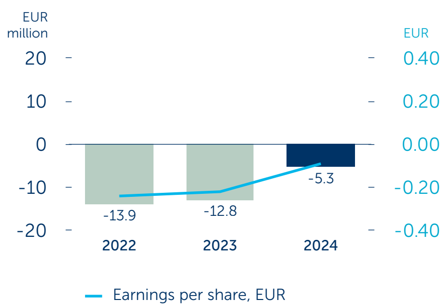
Gearing, %



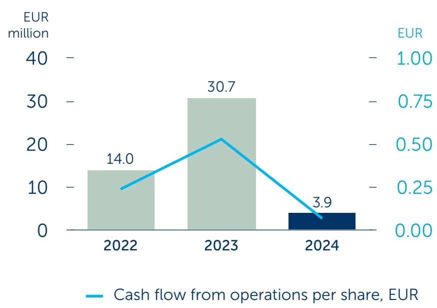
Comparable operating profit, EUR million



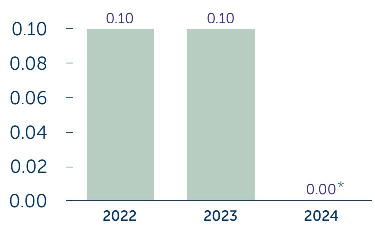
Profit for the period, EUR million and earnings per share, EUR



Cash flow from operations, EUR million and cash flow from operations per share, EUR



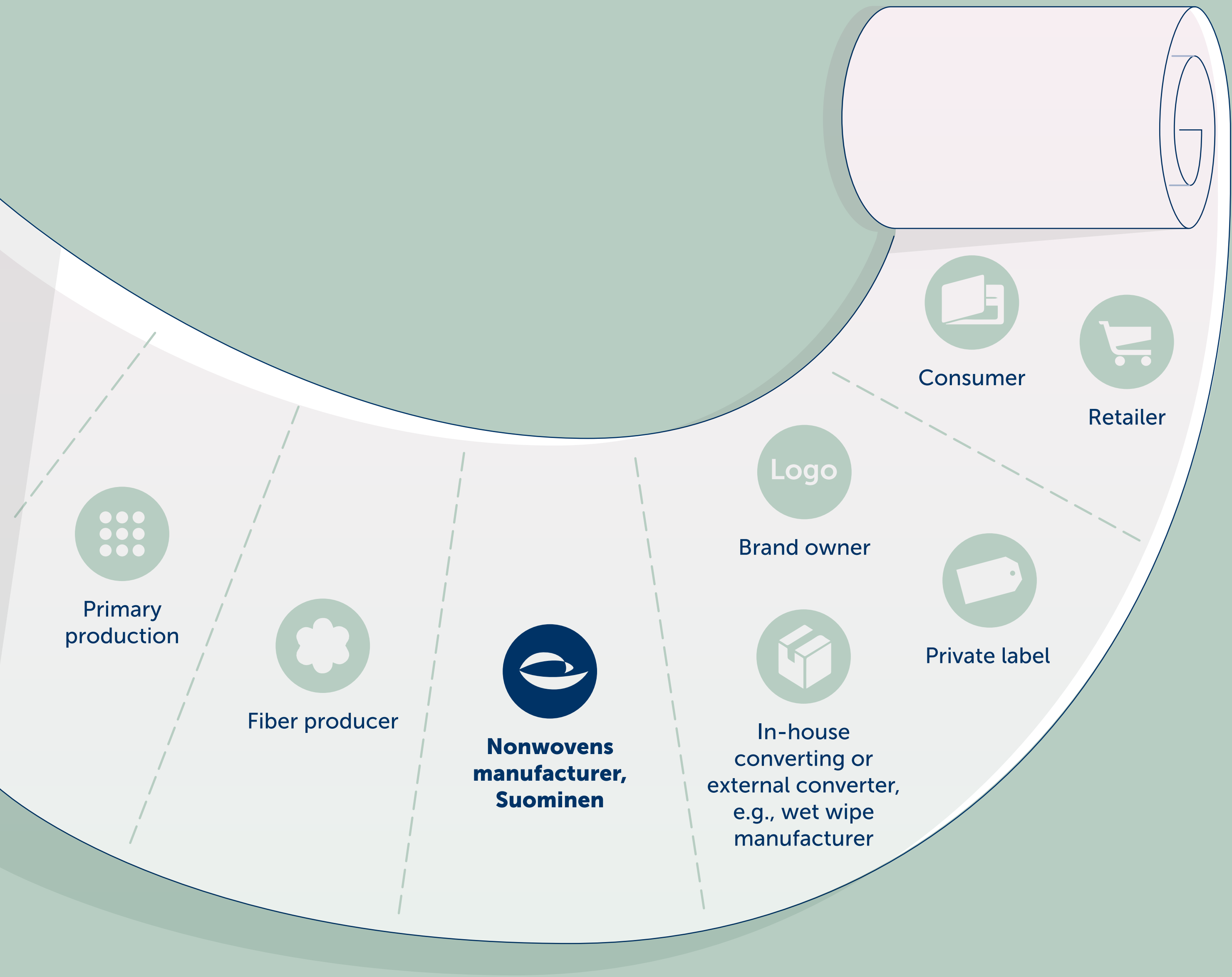
Dividend per share, EUR



* Proposal by the Board of Directors to the Annual General Meeting

How Suominen creates value

Suominen is a nonwovens manufacturer operating in global markets. Suominen creates value by taking fiber raw materials and turning them into nonwovens that our customers convert into both consumer and professional end products.



Value creation model

Inputs

FINANCIAL RESOURCES
- Total equity: EUR 117.6 million
- Total liabilities: EUR 192.8 million

NATURAL RESOURCES
- Water 7,489,778 m^3
- Raw materials
  - Plant-based 62%
  - Fossil-based 37%
  - Reused/recycled 1%
- Total energy consumption 524,735 MWh
  - Renewable sources 22%
  - Fossil sources 70%
  - Nuclear sources 8%

INTELLECTUAL CAPABILITIES
- Suominen brand and our way of operating
- R&D expenses EUR 4.0 million
- 14 R&D professionals
- 58 granted and 12 pending patents
- 58 trademarks and design patents
- Piloting facilities
- Technical know-how
- IT systems

SOCIAL RELATIONSHIPS
- Customer and supplier relations
- R&D cooperation with stakeholders
- Manufacturing partners
- Professional networks
- Start-up network
- Memberships in associations
- Local communities

MANUFACTURING RESOURCES
- Geographically and technically broad manufacturing base

Suominen

736 employees

7 production plants on three continents

Net sales EUR **462.3** million

SUOMINEN'S STRATEGY: Growth and profitability through sustainability, customer focus and efficiency

We will grow by creating innovative and more sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high performance culture. Our main focus is on wipes. We will strengthen our capabilities in Europe and Americas, and evaluate opportunities in Asia.

Suominen

Outputs

PRODUCTS AND SOLUTIONS

- Nonwovens for wipes and other applications

WASTE

- Waste to landfill 5,337 metric tons

EMISSIONS

- Direct greenhouse gas emissions 48,926 metric tons of CO_2 eq.
- Indirect greenhouse gas emissions 45,874 metric tons of CO_2 eq.

WATER

- Treated water from operations

Impacts

CUSTOMERS

- Innovations and new products
- Improved product performance
- Suominen brand value
- Customer satisfaction

EMPLOYEES

- Wages and salaries EUR 46.6 million
- Professional development
- Fair employment practices and equal opportunities
- Safe workplace

PARTNERS

- Spend on materials and services EUR 345.3 million
- Business growth
- Ethical business
- Interest to creditors

SHAREHOLDERS

- Board of Directors proposes that no dividend shall be distributed for the financial year 2024

ENVIRONMENT

- Waste and emission load from operations and end products
- Sustainable product portfolio includes compostable and dispersible end products
- No untreated water discharge

SOCIETY

- Corporate income tax EUR +0.1 million
- Employment

How does the model work?

The value creation model describes Suominen's value creation process: the resources we utilize in executing our strategy, the outputs and, ultimately, the impacts of our business activities.

The model describes Suominen's business on a high level, meaning that only the most essential matters are presented. Still, not all matters bear equal importance, nor is their respective relevance presented in the model.

In the value creation model, inputs are what we utilize in our business activities. The Suominen section describes Suominen's business operations and strategy. Outputs are the outcomes of our business activities, and impacts describe how our business activities affect the world around us.

Operating environment

Suominen is a global market leader in nonwovens for wipes and ranks among the largest producers of spunlace nonwovens worldwide. Suominen's main market areas are Europe and North America. Suominen also maintains a strong presence in the South American market.

Market characteristics

Europe

In Europe, all consumer wipe categories are highly fragmented and competitive. Private labels are gaining share in the European market.

EU's Single-Use Plastics Directive and the proposed Directive on Green Claims are important drivers towards sustainability for the nonwovens industry.

The leading trends in Europe are sustainability (e.g. carbon reduction targets, circular economy, plastic-free materials) and ethical living (e.g. cruelty-free, vegan).

Net sales of the EMEA business area were EUR 174.4 million, corresponding to 38% of Suominen's net sales in 2024. Suominen has one site each in Italy, Spain and Finland. Suominen's headquarters is in Finland. In 2024, Suominen had 329 employees in Europe.

North America

North America is the largest consumer market for wipes. All categories are growing with particularly strong growth in private labels. Household products have a fairly big share in the wipes market.

Several states in the US have passed or introduced bills to demand appropriate disposal labeling to wipes packages.

The leading trends are transparency in the value chain and natural ingredients.

South America

The South American market is dominated by the baby wipes category and branded players, but other segments are growing.

Rising consumer awareness, high focus on sustainability and reducing single-use plastic products are the leading trends.

Net sales of the Americas business area were EUR 287.9 million, corresponding to 62% of Suominen's net sales in 2024. Suominen has three sites in USA and one in Brazil. In 2024, Suominen had 407 employees in the Americas.

The global demand for nonwovens is growing consistently. The growth depends mainly on consumer demand, which is a combination of the general economic situation and consumers' confidence in their personal finances. However, the demand for fast-moving consumer goods – that is, end products for which most of Suominen's products are used – is not very cyclical in nature. The growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a few percentage points.

The importance of sustainability continues to grow

Megatrends such as climate change and environmental degradation drive us to minimize the environmental impacts of our operations, improve our raw material efficiency and introduce an increasing range of sustainable products to the market.

The market for sustainable nonwovens is growing globally and especially in Europe and North America. Legislation and regulations as well as consumer behavior are driving the market towards more sustainable products.

In Europe, one of the most significant changes in the operating environment is the European Plastic Strategy and European Commission's Single-Use Plastics Directive (SUPD). The directive aims to protect the environment and reduce marine pollution. SUPD impacts many end products made of nonwovens as they are traditionally made at least partially from raw materials containing plastic. Labeling requirements under the Directive for single-use products containing plastic entered into force in 2021.

Initiatives similar to SUPD have also emerged in other regions as concerns over sewer blockages and marine pollution caused by, among other reasons, the inappropriate disposal of nonwoven products have increased.

The need for more ecological and sustainable nonwoven products is clear, and Suominen is well positioned to respond to the growing demand, supporting customers in creating more sustainable product offerings.

Demographic megatrends support our growth

Demographic megatrends, such as population growth, a growing middle class, aging populations and a growing focus on health and well-being, are driving nonwovens growth forecasts due to their influence on consumer behavior. There is a direct correlation between the rise in the standard of living and demand for hygiene products. Beyond essential commodities, consumers are showing a growing preference for solutions that simplify daily routines. For instance, the rising use of moist toilet tissue wipes exemplifies this trend. Similarly, the demand for general-purpose wipes has grown, fueled by increased travel and the lasting impacts of the pandemic.

New needs are emerging with aging populations and changing healthcare models. The demand for nonwovens used in medical applications and incontinence products is increasing. On the other hand, the need to find cost-effective solutions to combat bacteria and viruses is also contributing to the increase in demand for nonwovens in the healthcare sector.

Economic and geopolitical instabilities cause uncertainties

The nonwovens market continues to have a healthy growth above GDP, but markets are facing uncertainty due to the global geopolitical situation and shifting export balance. However, Suominen's global production platform positions the company well in chosen target markets and the comprehensive portfolio of new products differentiates the company from the competition.

While Suominen closely monitors market trends and customer dynamics, global economic uncertainties and fierce competition create challenges for long-term forecasting. Historically, demand for wipes has remained steady despite economic fluctuations, but shifting consumer preferences and spending habits require increased focus and attention.

Strategy

Our vision is to be the frontrunner for nonwovens innovation and sustainability. Our strategic target is to grow and improve profitability through sustainability, customer focus and efficiency aiming for profitable growth.

We pursue growth by creating innovative and sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high performance culture. Our focus is on wiping materials. We strengthen our capabilities in Europe and the Americas and evaluate our opportunities in adjacent markets and in Asia.

We execute our strategy and aim to achieve our vision through our five strategic focus areas. We implement our Sustainability Agenda as an integral part of our strategy.

Our target is to use resources efficiently and to operate with the smallest possible impacts on the environment.

Operational excellence

We continuously improve the efficiency and quality of our operations, promote occupational health and safety and foster accountability and cost awareness across the organization.

Safety is our highest priority, and we are dedicated to ensuring the health and well-being of our employees. We foster a strong safety culture and emphasize preventive measures through open dialogue and continuous engagement. In 2024, we initiated a safety campaign to highlight the importance of safety procedures.

We continue to enhance efficiency and performance by systematically developing our people, processes and operations. We have launched several efficiency and capability initiatives and actively share best practices between our sites to drive improvement in this area.

Sustainability leadership

We leverage our innovation and piloting capabilities, pioneering fiber-based nonwovens know-how and our unique asset base to achieve a leading position in the sustainable nonwovens market. Our target is to use all resources efficiently and to operate with the smallest possible impacts on the environment.

The demand for sustainable products is rapidly increasing, driven by legislation and customers' growing preference for more sustainable choices. Suominen leads the market change by actively developing and introducing new innovative and sustainable products. In 2024, we launched 11 sustainable products and the sales of sustainable products increased 87% compared to the base year of 2019.

Differentiate with innovation and commercial excellence

We offer best-in-class products and build close relationships and collaboration with

Mission

Enabling our customers to win by creating quality nonwovens

Vision

Frontrunner for nonwovens innovation and sustainability

Strategy: Growth and profitability through sustainability, customer focus and efficiency

We will grow by creating innovative and more sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high performance culture. Our main focus is on wipes. We will strengthen our capabilities in Europe and Americas, and evaluate opportunities in Asia.

Strategic focus areas

- Operational excellence
- Sustainability leadership
- Differentiate with innovation and commercial excellence
- Great place to work
- Dual operating model

Values

Ownership Teamwork Performance Integrity

our key customers. Our versatile and experienced R&D team together with our pilot line capabilities enable our industry-leading innovation and product development. A close collaboration with customers plays an important role in our innovation work. The share of new products of our net sales reflects our strong ability to innovate and meet the market needs – in 2024, the share of new products was 34% of our net sales.

Great place to work

We concentrate on harnessing the organization's positive energy, passion and commitment to deliver results.

We systematically develop employee engagement and implement targeted actions based on our global employee engagement survey. In 2024, we conducted the survey for the fifth consecutive year and the results identified both positive areas and opportunities for improvement.

Strategic highlights of the year

Investment projects in Bethune, South Carolina, US and Alicante, Spain to strengthen capabilities and capacity in sustainable products

11 sustainable product launches

Sales of sustainable products increased 87% compared to base year 2019

Gold level rating from the third EcoVadis sustainability assessment

Share of new products: 34% of net sales

Greenhouse gas emissions decreased 24% per ton of product compared to base year 2019

We strive to build a high-performance culture in which people are encouraged to exceed expectations and are enabled to perform to their full potential. In 2024, we continued to support the development of our personnel and teams with various development and training programs.

Dual operating model

We optimize our operations through an operating model in two customer focused regions – Americas and EMEA.

During the year, we continued to strengthen our capabilities in sustainable products by announcing investments to our sites in Alicante, Spain and Bethune, United States. We have continued to enhance our supply chain management and operations planning to further optimize our processes and achieve world-class performance.

Sustainability at Suominen

Sustainability is at the core of our strategy and business. Our vision is to be the frontrunner in nonwovens innovation and sustainability. Sustainability is an integral part of all our operations.

To increase transparency in ESG matters, Suominen participates in both internal and external assessments. Suominen participated in the EcoVadis assessment for the third time in 2024 and achieved a gold level rating. The result places Suominen in the top 1% of companies within the manufacture of other textiles industry and in the top 5% of all companies across all industries assessed by EcoVadis. This year's improvements primarily focused on environmental topics, labor and human rights, and sustainable procurement compared to the previous year.

In addition, Suominen maintains an ESG Index, launched in 2022, which provides a comprehensive overview of our sustainability work. The Index highlights both our strengths and areas for improvement. The index concept is continuously developed to reflect the dynamic and evolving nature of sustainability.

GOLD | Top 5%
ecovadis
Sustainability Rating
JUL 2024

Sustainability Agenda

The Sustainability Agenda crystallizes Suominen's sustainability themes and targets. The agenda focuses on four themes, People and safety, Sustainable nonwovens, Low impact manufacturing and Corporate citizenship.

In 2024, Suominen worked to renew the Agenda and define new KPIs for the period 2025-2030. This report details our performance against the 2020–2025 targets and introduces the updated agenda for 2025–2030.

Performance against the 2020–2025 targets in 2024

	INDICATOR	TARGET FOR 2025	RESULT
People and safety	Lost time accidents	0	4 in 2024
	Employee engagement index	73%	67% in 2024
Sustainable nonwovens	Number of sustainable product launches[1]	Over 10 per year	11 in 2024
	Sales of sustainable products	50% increase in sales compared to the base year 2019	87% increase compared to the base year 2019
Corporate citizenship	Coverage of renewed Code of Conduct	100% of existing employees and new hires	92% of all employees trained at the end of 2024
	Supplier assessment	Raw material suppliers assessed against supplier code (based on risk assessment)	Our primary raw material suppliers cover 93% of our raw material purchases (in tons). 91% of the purchased raw material tons from these primary suppliers, comes from suppliers, with a valid EcoVadis ESG assessment in place.
Low impact manufacturing	Energy consumption (GJ/t of product)	20% reduction compared to the base year 2019	Increased compared to the base year 2019
	Process waste to landfill (kg/t of product)	20% reduction compared to the base year 2019	Increased compared to the base year 2019
	Water consumption (m^3/t of product)	20% reduction compared to the base year 2019	Increased compared to the base year 2019
	Greenhouse gas emissions (t/t of product)	20% reduction compared to the base year 2019[2]	24% reduction compared to the base year 2019

[1] Sustainable product launches include new sustainable product launches, re-launches and concepts related to sustainable products.
[2] Target is set for Scope 1 and 2 emissions (emissions from our own operations and purchased energy generation).

Sustainability Agenda 2025–2030

Suominen's Sustainability Agenda 2025–2030 was published in March 2025. The Agenda is built around four key themes that reflect the most important topics for the company and its stakeholders. The themes are based on Suominen's double materiality assessment, completed in 2024, which reaffirmed that the themes from previous period of the Sustainability Agenda (2020–2025) remained relevant. Thus, we will continue strengthening our position in these topics.

Suominen has set KPI's for each theme and will develop action plans to achieve these goals. Progress will be monitored regularly and reported annually. We will strengthen internal sustainability awareness and embed sustainability into all processes.

Sustainability agenda 2025–2030 KPI's

People & Safety

- Zero lost time accidents (LTA)
- Diversity, equity & inclusion (DEI) index 80%

Low impact manufacturing

- Reducing scope 1, 2 and 3 greenhouse gas emissions with limiting global warming to 1.5°C in line with the Paris Agreement
- Zero manufacturing waste to landfill

Sustainable nonwovens

- More than two thirds of consumed raw materials are from plant-based resources
- More than half of our new R&D initiatives focus on advancing the development of sustainable products

Corporate citizenship

- All qualified raw material suppliers assessed against Suominen's sustainability criteria
- All employees have completed Suominen's sustainability training program

The agenda was approved by the Executive Management Team and the Board of Directors.

Most relevant UN Sustainable Development Goals for Suominen

The Sustainable Development Goals (SDG) adopted by the United Nations in 2015 define international sustainable development focus areas and goals. We have identified five SDG's which cover the areas where we can make the biggest contribution, and our sustainability agenda guides our work towards these goals.

SDG 7: Affordable and clean energy
We focus on improving energy efficiency and finding alternative low-carbon energy resources. Our energy initiatives also support our goal of reducing greenhouse gases emitted from our operations. The majority of our production sites have shifted entirely to fossil-free electricity, and we are actively exploring similar opportunities for our remaining sites.

SDG 8: Decent work and economic growth
We promote responsible business practices throughout the value chain, and we do not tolerate any kind of slavery, forced or child labor or human trafficking in our own or our suppliers' operations. We promote equal opportunities for all. Our principle is "equal pay for equal contribution". A safe workplace is one of our top priorities and we are continuously striving to improve our safety culture to achieve an accident-free workplace.

SDG 10: Reduced inequalities
We are committed to offering a fair workplace with equal opportunities for everyone. We do not tolerate any kind of discrimination, including discrimination based on age, gender, religion, or ethnic origin. When making employee-related decisions, for example when recruiting, promoting, rewarding, or developing our personnel, we pay special attention to equality and inclusion.

SDG 12: Responsible consumption and production
We are committed to innovating products with minimized negative environmental impacts. Our goal is to use natural resources as efficiently as possible and strive for minimization of waste from our production and finding alternative outlets for non-recyclable waste. We continuously explore diverse sustainable raw material alternatives from virgin and recycled sources.

SDG 13: Climate action
We are committed to continuously improving our production efficiency and the efficient utilization of natural resources. We strive to reduce the climate impacts caused by our operations. We assess the carbon footprint of our products across the entire value chain and develop solutions with a reduced climate impact.

Renewed sustainability reporting

Suominen has been reporting on sustainability for over ten years. The 2024 report is the first one made in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS). The new CSRD reporting requirements have defined the structure and content of the report. Please find Suominen's sustainability statement as part of the Report by the Board of Directors.

Corporate Governance

Corporate Governance Statement of Suominen Corporation for 2024

Suominen Corporation ("Suominen" or the "Company") complies with the Finnish Corporate Governance Code 2025 (the "Code") issued by the Securities Market Association. The Code is available on the internet at **www.cgfinland.fi**.

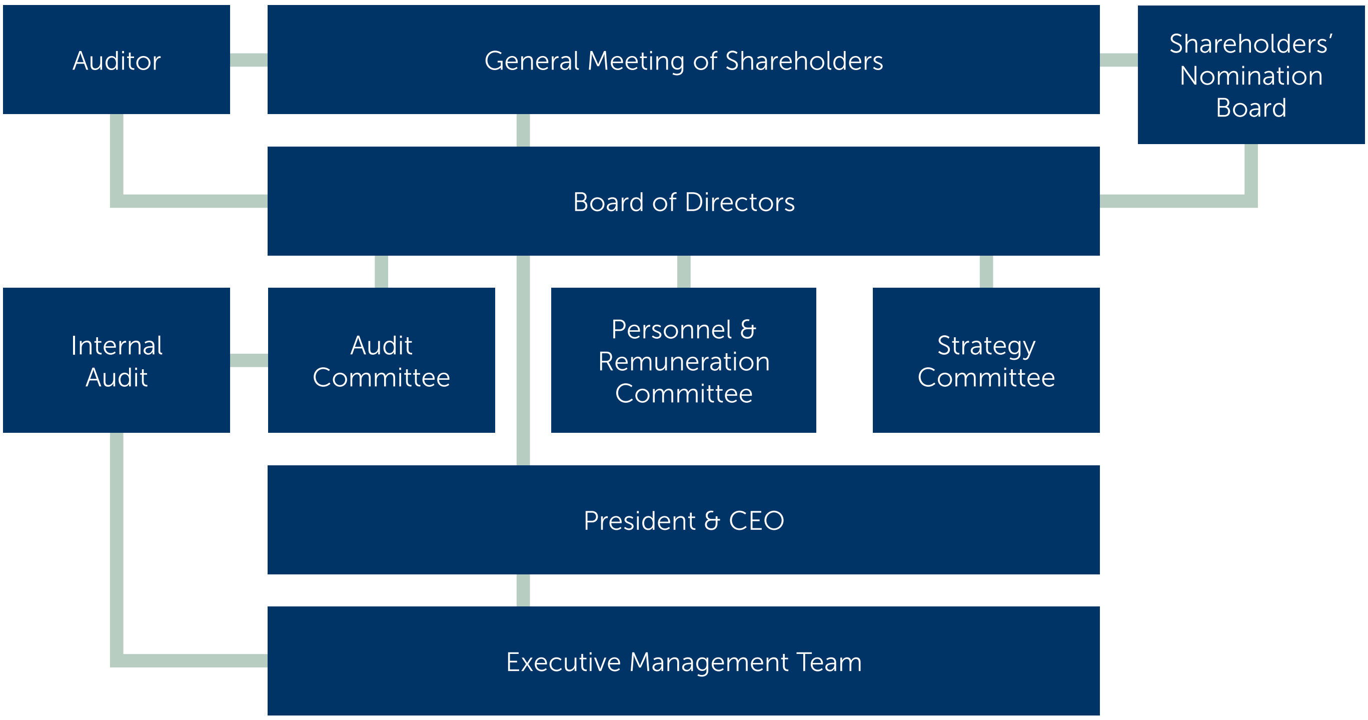
This Corporate Governance Statement (the "Statement") is published separately from the report by the Board of Directors. This Statement has been published simultaneously with the Financial Statements and Report by the Board of Directors as a stock exchange release, and it is available also on Suominen's website at **www.suominen.fi**.

The Audit Committee and the Board of Directors of Suominen (the "Board") have reviewed this Statement.

The Statement will not be updated during the financial year, but up-to-date information on its various topics is available on Suominen's website at **www.suominen.fi**.

Suominen's governing bodies

Suominen's decision-making bodies are the General Meeting of Shareholders, the Board with its two permanent Committees and one temporary Committee, and the President & CEO (the "CEO"), supported by the Executive Management Team. Suominen's decision-making bodies and their duties and responsibilities are governed by applicable Finnish laws and regulations, the Code, the Company's Articles of Association, and the Charters of the Board and its Committees.



General Meeting of Shareholders

Suominen's highest decision-making body is the General Meeting of Shareholders, where shareholders exercise their decision-making power.

The Annual General Meeting is held annually by the end of April on a date determined by the Board. It decides on the matters stipulated in the Finnish Limited Liability Companies Act and Suominen's Articles of Association. Such matters include:

- adoption of the financial statements,
- use of the profit shown on the balance sheet,
- election of the Chair and members of the Board and decision on their remuneration,
- discharging the members of the Board and the CEO from liability, and
- election of the auditor and decision on the auditor's compensation.

Suominen publishes a notice of the General Meeting on the Company's website no earlier than two months and no later than three weeks prior to the meeting, however, at least nine days prior to the record date of the meeting. In order to participate in the General Meeting, a shareholder must inform the Company of the participation at the latest on the date mentioned in the notice of the General Meeting. The date may not be earlier than ten days before the meeting.

Annual General Meeting in 2024

The Annual General Meeting was held in Helsinki on April 4, 2024. A total of 34 shareholders representing 64% of the Company's shares and votes were represented in the meeting. The Annual General Meeting documents are available on Suominen's website at **www.suominen.fi**.

Shareholders' Nomination Board

Suominen has a permanent Shareholders' Nomination Board established by the 2013 Annual General Meeting. The Nomination Board is responsible for preparing and presenting to the Annual General Meeting and, if necessary, to an Extraordinary General Meeting, proposals on the remuneration of the Board, the number of members of the Board and on the members and the Chair of the Board. In addition, the Nomination Board is responsible for seeking potential successors for the Board members.

The Nomination Board submits its proposals on the number of members, composition and remuneration of the Board to Suominen's Board of Directors annually no later than on February 1, prior to the Annual General Meeting.

The Nomination Board consists of four members, three of which are appointed annually by the Company's three largest shareholders who appoint one member each. The largest shareholders are determined annually on the basis of the registered holdings in the Company's shareholders' register held by Euroclear Finland Ltd on the first working day in September. The Chair of Suominen's Board of Directors serves as the fourth member of the Nomination Board. The Nomination Board elects the Chair of the Nomination Board from among its members.

The members of the Nomination Board shall be independent of the Company, and a person belonging to the Company's operative management cannot be a member of the Nomination Board.

Nomination Board in 2024

Shareholders' representatives on the Nomination Board were determined based on share ownership on September 2, 2024, by the following three largest registered shareholders of the Company:

Shareholder	Representative	Member since	Born	Gender	Education	Main occupation
Ahlstrom Capital B.V.	Jyrki Vainionpää	2024, Chair since 2024	1976	Male	M.Sc. (Econ.)	President and CEO, A. Ahlström Oy
Etola Group Oy	Mikael Etola	2021	1977	Male	M.Sc. (Econ.)	CEO, Etola Group Oy
Oy Etra Invest Ab	Peter Seligson	2024 (advisory role in 2023)	1964	Male	Lic. oec. (HSG)	Chair of the Board of Directors, A. Ahlström Oy

Charles Héaulmé, Chair of Suominen's Board of Directors, acted as the fourth member of the Nomination Board.

In 2024 the Nomination Board convened three times. The attendance rate at the meetings was 100%.

Board of Directors

The main objective of the Board is to direct Suominen's strategy in a way that, in the long run, it enables the delivery of the financial targets set for Suominen and maximizes shareholder value while simultaneously taking into account the expectations of key stakeholders.

The Board is responsible for the administration and proper organization of Suominen's operations and for making decisions on matters that are likely to have a major impact on the Company. The Board convenes according to an annual meeting plan.

The Chair and members of the Board are elected by the General Meeting of Shareholders. Pursuant to the Articles of Association of the Company, the Board shall have at least three and no more than seven members.

Main duties

The duties of the Board are defined in Finnish laws and regulations, Suominen's Articles of Association, the Finnish Corporate Governance Code and the Charter of Suominen's Board of Directors. The main duties are the following:

- to approve the Company's strategy and oversee its implementation,
- to approve the Company's long-term targets and monitor their implementation,
- to approve the Company's annual business plan and sustainability agenda,
- to approve the Code of Conduct and key corporate policies,
- to approve major business acquisitions, divestments, investments and expenditures,
- to approve major external funding (both debt and equity), capitalization of subsidiaries, and guarantees and mortgages,
- to decide on the appointment and dismissal of the CEO and other members of the Executive Management Team and to decide on their terms of employment and remuneration,
- to approve the Company's organizational structure,
- to monitor and supervise the Company's performance and to ensure the effectiveness of its management,
- to ensure continuity of business operations by overseeing the succession planning of the Executive Management Team,
- to decide on the Company's share-based long term incentive schemes,
- to approve the Remuneration Policy and the Remuneration Report,
- to approve the Company's financial reports, including annual accounts, interim reports, report by the Board of Directors and financial statement releases, and the Corporate Governance Statement,
- to ensure that the Company has adequate planning, information and control systems and resources for monitoring results and managing risks,
- to monitor evaluation and management of significant risks relating to Suominen's strategy and business operations,
- to convene General Meetings of Shareholders,
- to establish a dividend policy and make a proposal on the distribution of dividend,
- to make a proposal concerning the election of the auditor and the auditing fees, and
- to make other proposals to General Meetings of Shareholders.

Board of Directors in 2024

The 2024 Annual General Meeting elected six members to the Board.
The term of office of the members of the Board ends at the close of the Annual General Meeting 2025.

Board member	Member since	Born	Gender	Nationality	Education	Main occupation	Share ownership on December 31, 2024
Charles Héaulmé	2024, Chair since 2024	1966	Male	French	B.Sc. (Business Adm.)	CEO, Huhtamäki Oyj (until January 14, 2025)	19,902
Andreas Ahlström	2015, Deputy Chair since 2020	1976	Male	Finnish	M.Sc. (Econ. and Business Adm.)	CEO, Ahlström Invest B.V.	30,989
Aaron Barsness	2022	1973	Male	U.S. and Swedish	BA (Biology and Environmental Studies)	CMO, Fazer Group	8,723
Björn Borgman	2020	1975	Male	Swedish	M.Sc. (Industrial Engineering)	CEO, HL Display AB	28,166
Nina Linander	2020	1959	Female	Swedish	B.Sc. (Econ.), MBA	Board professional	31,828
Laura Remes	2023	1980	Female	Finnish	M.Sc. (Tech.)	VP, Strategy and Business Development, UPM Fibres	6,220
Until April 4, 2024							
Jaakko Eskola	2021, Chair	1958	Male	Finnish	M.Sc. (Eng.)	Board professional	

Independence of the Board members

The Board has evaluated the independence of its members. All members are independent of the Company. All members are also independent of the significant shareholders of the Company, with the exception of Andreas Ahlström. The largest shareholder of Suominen Corporation, Ahlstrom Capital B.V., is part of the A. Ahlström Group. Andreas Ahlström acts currently as the CEO of Ahlström Invest B.V., which is an associated company of A. Ahlström Group.

Meeting practice

The Board convenes under the direction of the Chair of the Board or, if the Chair is unable to attend, the Deputy Chair of the Board. Principally the matters are presented by the CEO of the Company.

In 2024 the Board convened 15 times, of which five times were per capsulam. The attendance rate at the meetings was 98.9%. The participation of each individual member is presented in the following table.

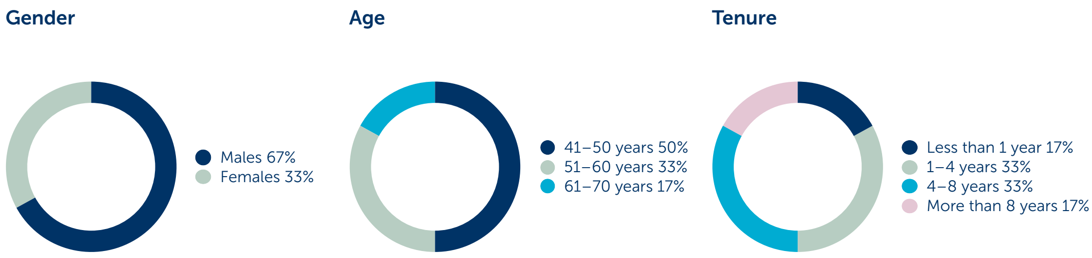
Name		Participation
Charles Héaulmé	Chair	14/14
Andreas Ahlström	Deputy Chair	15/15
Aaron Barsness	Member	15/15
Björn Borgman	Member	14/15
Nina Linander	Member	15/15
Laura Remes	Member	15/15
Until April 4, 2024		
Jaakko Eskola	Chair	1/1

Board evaluation

The Board conducted an annual self-assessment of its operations and working methods during the year 2024. The assessment was conducted internally. The results of the assessment were reviewed and discussed within the Board. The results were also presented to the Shareholders' Nomination Board.

Additionally, at the end of most of its meetings, the Board assesses the preparations for the meeting, the course of the meeting and its own operations in line with the principle of continuous development.

Board Diversity (December 31, 2024)



Board diversity principles

At Suominen, diversity has been recognized as an essential success factor. Diversity in the Board's competencies, experience and opinions promotes openness to new ideas and helps the Board in effectively supporting and challenging the Company's management. Furthermore, diversity promotes open discussion and integrity in decision making, good corporate governance, and effective supervision of both the Board and the management, and it also supports succession planning.

The Shareholders' Nomination Board evaluates the number of members and composition of the Board and its competence requirements in light of the present and future needs of the Company. When assessing the composition of the Board, the Nomination Board considers, among other things, whether the Board possesses a broad range of business knowledge and members representing both genders and various ages. It is Suominen's objective to have both men and women on its Board.

It is fundamental that the Nomination Board's final proposal on the board composition to the General Meeting of Shareholders is based on the qualifications and competencies of each candidate. In addition, candidates must also have the possibility to devote sufficient amount of time to Board work.

The objectives concerning the diversity of the Board as set out in the Board diversity principles have been achieved well. With regards to diversity in terms of gender, both genders are represented in the Board. The composition of the Board represents a broad range of business knowledge and competencies and qualifications to address the needs of the Company.

Board committees

The Board has two permanent committees: the Audit Committee and the Personnel and Remuneration Committee. In its meeting on December 13, 2023, the Board established a temporary Strategy Committee, which shall remain in place until otherwise decided by the Board. All three Committees report to the Board on their activities after each Committee meeting.

Audit Committee

The Audit Committee assists the Board in supervising the Company's governance, accounting, financial reporting and internal control systems and in monitoring the activities of the internal and external audit. The Audit Committee prepares for the Board matters that fall under its areas of responsibility, but it does not have autonomous decision-making power unless the Board resolves otherwise on certain individual matters.

The Chair and members of the Audit Committee are elected annually by the Board from among its members. The Committee comprises at least three members. The members of the Audit Committee must be independent of the Company, and at least one member must also be independent of the Company's significant shareholders.

Audit Committee in 2024

The Audit Committee in 2024 consisted of Nina Linander (Chair), Andreas Ahlström and Laura Remes.

In 2024 the Audit Committee convened four times. The attendance rate at the meetings was 100%. The participation of each individual member is presented in the following table.

Name		Participation
Nina Linander	Chair	4/4
Andreas Ahlström	Member	4/4
Laura Remes	Member	4/4

Personnel and Remuneration Committee

The Personnel and Remuneration Committee assists the Board by preparing remuneration and appointment matters concerning the Company's CEO and other Executive Management Team members. The Committee prepares for the Board matters that fall under its areas of responsibility, but it does not have independent decision-making power unless the Board resolves otherwise on certain individual matters.

The Chair and members of the Personnel and Remuneration Committee are elected annually by the Board from among its members. The Committee comprises at least three members. The members of the Personnel and Remuneration Committee must be independent of the Company.

Personnel and Remuneration Committee in 2024

The Personnel and Remuneration Committee in 2024 consisted of Charles Héaulmé (Chair, from April 4, 2024 onwards), Aaron Barsness and Björn Borgman. Jaakko Eskola acted as the Chair of the Personnel and Remuneration Committee until April 4, 2024.

In 2024 the Personnel and Remuneration Committee convened three times. The attendance rate at the meetings was 100%. The participation of each individual member is presented in the following table.

Name		Participation
Charles Héaulmé	Chair	3/3
Aaron Barsness	Member	3/3
Björn Borgman	Member	3/3
Until April 4, 2024		
Jaakko Eskola	Chair	0/0

Strategy Committee

The Strategy Committee supports and advises the Board and the Company's management in strategic decisions and initiatives and in other matters pertaining to the Company's strategy. The Committee's role is advisory, and it has no decision-making power with respect to strategic decisions.

The Chair and members of the Strategy Committee are elected annually by the Board from among its members. The Committee comprises at least three members.

Strategy Committee in 2024

The Strategy Committee in 2024 consisted of Laura Remes (Chair), Andreas Ahlström and Aaron Barsness.

In 2024 the Strategy Committee convened four times. The attendance rate at the meetings was 100%. The participation of each individual member is presented in the following table.

Name		Participation
Laura Remes	Chair	4/4
Andreas Ahlström	Member	4/4
Aaron Barsness	Member	4/4

President & CEO

The CEO (Managing Director) of Suominen is appointed by the Board. The CEO is responsible for the day-to-day operations of the Company in accordance with the Finnish Limited Liability Companies Act and the guidelines and instructions provided by the Board, and for ensuring that the Company's accounting practices comply with the law and that its assets are reliably managed pursuant to the Limited Liability Companies Act. Furthermore, the CEO is in charge of the day-to-day management of the entire Suominen Group.

The CEO acts as the Chair of the Executive Management Team and as the immediate supervisor of the Executive Management Team members.

Tommi Björnman serves as Suominen's President and CEO.

Executive Management Team

The CEO is supported by the Executive Management Team. In 2024 the Executive Management Team consisted of:

Executive Management Team member	Member since	Born	Gender	Nationality	Education	Position	Share ownership on December 31, 2024
Tommi Björnman	2023	1966	Male	Finnish	M.Sc. (Industrial Engineering and Management)	President & CEO	39,556
Janne Silonsaari	2023	1980	Male	Finnish	M.Sc. (Econ. and Business Adm.)	CFO	-
Jonni Friman	2023	1971	Male	Finnish and Swedish	M.Sc. (Industrial Engineering and Management)	EVP, Transformation Management Office	-
Markku Koivisto	2017	1971	Male	Finnish	M.Sc. (Tech.)	EVP, EMEA & CTO (acted as Interim EVP, Americas August 26, 2024 - January 5, 2025)	53,172
Until May 30, 2024							
Klaus Korhonen	2019	1974	Male	Finnish	LL.M.	EVP, HR & Legal	
Until August 25, 2024							
Thomas Olsen	2023	1965	Male	U.S.	MBA	EVP, Americas	

Suominen’s operative organization

Suominen’s operative organization consists of two business areas, EMEA and Americas, and global functions supporting the business. The Company only has one operating segment.

Main features of internal control procedures and risk management systems

Internal control

The main objective of internal controls at Suominen is to ensure reliable financial reporting and compliance with applicable laws, regulations, and internal policies and principles. Moreover, internal controls aim to ensure the efficiency of the Company’s processes and that its assets are appropriately safeguarded.

Control environment

Internal controls are embedded in the activities of Suominen’s organization. Controlling is executed in connection with the steering of business processes, supported by comprehensive reporting.

The foundation of the internal control processes is based on the Company’s Code of Conduct, corporate culture and values, policies, guidelines and instructions, and the ways of working adopted by the Company’s management and employees. The responsibility structure of the Company is based on authority inherent in the positions and work descriptions, segregation of duties and the “four-eyes” and “one-over” decision-making principles. Effective internal control requires that duties are properly allocated to employees and potential conflicts of interests are identified and eliminated. In cascading the principles within the organization, honesty, transparency and working in teams are integral elements of establishing high ethical standards throughout the Company. A satisfactory control environment is ensured through internal analyses and evaluations of key processes.

Nominated process owners are responsible for ensuring that efficient internal process controls are defined and implemented across the organization.

The ICT function ensures that the security checks of ICT systems throughout the Suominen Group are functioning and conducted at a sufficient level.

Control activities

Internal control activities are in place, among other things, to verify that the Company's financial reports provide a true and fair view of the Company's financial position. It is the duty of the Board and the CEO to organize the internal control activities.

In practice, control activities are conducted in the meetings of the Board and management teams, where results of the Company's operations and activities are reviewed. The Company's Finance function and the Group's controller network support and coordinate the financial management and control of the activities of the entire Suominen Group.

Internal control at Suominen has been decentralized across global functions that monitor compliance with the operating guidelines concerning their areas of responsibility approved by the Board. In addition to the Group-level guidance, control measures are also taken at the business area and plant level. Control measures include both general and more detailed control procedures aimed at preventing, revealing and correcting errors and deviations.

In day-to-day business operations, several control activities are exercised in order to prevent potential errors and deviations in financial reporting and to help reveal and correct any identified deviations or errors. Suominen categorizes its control activities into three categories. Documented instructions help the organization standardize the monitoring of tasks. Continuous and regular reporting providing feedback on the performance of the global functions and each Group company ensures that instructions and defined processes are followed. In critical processes, specific authorizations are implemented in the workflow for security and verification purposes.

The need for separate evaluations, as well as their scope and frequency, is determined by assessing the risks and effectiveness of ongoing control and monitoring processes. Information security and related control activities play a key role when features of ICT systems are being defined and applied.

Information and communication

The Company's Financial Manual, policies approved by the Board and other guidelines and instructions relating to financial reporting are updated and communicated on a regular basis by the management to all relevant employees, and these are also available on the Company's intranet. In addition, a standard reporting package is used by the business areas and Group companies.

Group management and business area management conduct monthly reviews that include an analysis of the defined performance metrics and indicators, which enable the management to better understand the underlying performance of the Company. The Board members receive a monthly report on the Company's result and financial position.

Monitoring

The Audit Committee is responsible for monitoring the efficiency of the Company's internal controls. Global function and business area management and controller functions are responsible for the ongoing monitoring of control activities. The Company's Finance function monitors the operations and processes of the Group companies and the accuracy of external and internal financial reporting.

Regular inspections by quality auditors and customer audit personnel also cover the internal controls of key business processes.

Risk management

Risk management is an integral part of running the business of Suominen, and the identification and assessment of risks is an essential element of internal control. The aim is to focus on material risks that are significant from a business perspective.

The risk management process is based on Suominen's Risk Management Policy, which is approved and regularly reviewed by the Board. The process consists of steps to identify, assess, respond, monitor and report risks. Identification and assessment of risks involves a dynamic and iterative process to identify and evaluate risks, and it provides the foundation for defining and monitoring mitigative actions for each identified risk. A risk owner is assigned to each identified risk. The most significant risks are reported annually to the Audit Committee and additionally to the Board as needed.

Risks relating to financial reporting are managed in accordance with the risk management process outlined in the Risk Management Policy. Risks pertaining to financial reporting are identified and evaluated addressing the risks in the most relevant parts of the financial reporting process. Based on this evaluation, appropriate mitigation measures are defined and their effectiveness is continuously monitored.

The responsibilities relating to risk management are outlined in the Risk Management Policy. The Board is responsible for monitoring the evaluation and management of significant risks relating to Suominen's strategy and business operations. The Audit Committee assists the Board in its duties relating to risk management and is responsible for monitoring the risk management processes and practices. The CEO has the overall responsibility for risk management at Suominen and is supported by the Executive Management Team members, who are responsible for identifying and assessing risks within their own area of responsibility.

Audit

Internal audit

Suominen has retained an external party to execute internal audits within the Company. The audit topics are determined by the Audit Committee based on recommendations by the management. Any material findings are reported to the Audit Committee, the CEO, the Executive Management Team and other relevant management.

External audit

According to its Articles of Association, Suominen has one auditor which must be an entity of Certified Public Accountants approved by the Finnish Central Chamber of Commerce. The term of the auditor shall expire at the end of the first Annual General Meeting of Shareholders following the election. The auditors and the Audit Committee agree annually on an audit plan.

Audit in 2024

The Annual General Meeting held on April 4, 2024, re-elected Ernst & Young Oy, Authorized Public Accountant firm, as the auditor of the Company. Ernst & Young Oy appointed Toni Halonen, Authorized Public Accountant, as the principally responsible auditor of the Company.

Audit fees in 2024

Auditor's fees and services, Suominen Group	EUR thousand
Auditing	619
Non-audit related fees (tax and other consulting fees)	24
Total	**642**

Insider management

Suominen complies with the EU Market Abuse Regulation ("MAR"), the Finnish Securities Markets Act and the regulations and guidelines issued by the Finnish Financial Supervisory Authority and Nasdaq Helsinki Ltd. In addition, the Board has approved and regularly reviews Suominen's Insider Policy, which informs the governing bodies and employees of Suominen and its Group companies of the regulations in force pertaining to insider trading.

Management transactions

Suominen has in accordance with MAR determined that members of the Board, the CEO and other members of the Executive Management Team (collectively "Directors") and their closely associated persons have the duty to notify Suominen and the Finnish Financial Supervisory Authority of transactions made by them or on their behalf on Suominen's financial instruments. Suominen maintains a list of the Company's Directors and their closely associated persons and publishes the transactions notified to it as stock exchange releases.

Stock exchange releases on the transaction notifications of Directors and their closely associated persons can be found on Suominen's website at **www.suominen.fi**.

Closed period

Suominen observes a closed period, which begins 30 calendar days before the publication of an interim report, half-year report or financial statements release and ends at the end of the day of publication of such report or release. During the closed period, Directors and certain other Suominen employees that are involved in the preparation of financial reports or otherwise have access to sensitive financial information of Suominen ("Core Persons") may not trade or conduct transactions on their account or for the account of another, directly or indirectly, relating to a financial instrument of the Company. The timing of closed periods can be found on Suominen's website at **www.suominen.fi**.

During a closed period, trading with Suominen's financial instruments by Directors and Core Persons is allowed only in certain exceptional situations. An exception can only be applied where the Director or Core Person can show that the transaction cannot be conducted at some other point in time than during the closed period, and the Director or Core Person is not in possession of inside information. Any exception to the trading restriction during the closed period requires prior approval by the Company for the transaction in question.

Trading by Directors and Core Persons

Directors and Core Persons must, in addition to abiding by the trading restriction during the closed period, time their trading so that it does not weaken the general trust in the securities market. Suominen recommends that Directors and Core Persons make long-term investments in the Company's shares and other financial instruments. It is also recommended to time the trading to a point in time when the market has as complete knowledge as possible on the factors affecting the value of the share or the financial instrument.

Monitoring and control

The Insider Officer of Suominen is the Company's Chief Financial Officer. The Insider Officer is responsible for administration of the Company's insider matters.

Without limiting the obligations arising from MAR, the Securities Markets Act or other applicable regulations, the Company's insider administration is responsible for internal communications and training concerning insider issues, preparing and maintaining lists of Directors and their closely associated persons and Core Persons, receiving notifications concerning the transactions of Directors and their closely associated persons and publishing the related stock exchange releases, preparing and maintaining project-specific insider lists, and monitoring insider matters.

Principles for related party transactions

Suominen complies with applicable laws, regulations and standards regarding related party transactions and follows the requirements set for monitoring, assessment, decision-making and reporting of related party transactions. The Board has approved and regularly reviews Suominen's Related Party Policy, which defines the principles for monitoring and assessing related party transactions.

Suominen has defined the members of the Board, the CEO and other members of the Executive Management Team and their closely associated persons and entities as related parties of the Company and maintains a list of such persons and entities.

The Company can carry out transactions with its related parties provided that such transactions are made within the Company's ordinary course of business and on customary, arm's-length terms. The Board approves related party transactions that are made either outside the Company's ordinary course of business or on other than customary, arm's-length terms.

Related party transactions are monitored regularly by the Company's Finance function as part of the Company's normal reporting and monitoring procedures. Members of the Board and the Executive Management Team are obligated to report any planned or executed related party transactions to the Company's Chief Financial Officer without undue delay.

Remuneration Report of Suominen Corporation

Remuneration Policy at a glance

According to the Remuneration Policy (the "Remuneration Policy" or "Policy") for Governing Bodies of Suominen Corporation ("Suominen" or the "Company") approved by the Annual General Meeting (the "AGM") on April 4, 2024, Suominen's aim is to offer a framework for remuneration that incentivizes to pursue towards the Company's long-term financial performance and shareholder value creation.

The General Meeting determines the remuneration of the Board of Directors (the "Board"). The Shareholders' Nomination Board prepares the proposal for the General Meeting.

The President & CEO's (the "CEO") remuneration consists of a fixed base salary (including fringe benefits) and variable incentives. Variable incentives can be short-term, such as cash bonuses, or long-term, such as share-based incentive plans. Share-based incentive plans can be used for rewarding for performance and/or for retention purposes. The aim of the Board is that variable remuneration shall form a significant portion of the annual remuneration opportunity at the target level granted to the CEO. On average, variable incentives shall at target level be equal to the CEO's fixed annual salary. If performance exceeds the Board's expectations, the variable incentives shall exceed the fixed annual salary.

The Board may deviate from the Policy in certain exceptional situations. To read the full Policy, please visit our website: **www.suominen.fi/investors/corporate-governance/remuneration/**.

2024 CEO remuneration at a glance

Tommi Björnman acted as the Company's CEO in 2024. There were no changes in the CEO's compensation structure in 2024.

Total remuneration paid for the CEO includes base salary, benefits, supplementary pension contributions, short-term incentive (STI) for 2023, resulted in pay-out, which was made in 2024 and Matching restricted share plan ("MRSP") vesting period June 1, 2023 – June 1, 2024.

With the exception of Matching restricted share plan ("MRSP"), the CEO did not receive any LTI payments in 2024.

The remuneration earned by Tommi Björnman in 2024 payable in 2025 consists of reward under Global STI Plan 2024. The outcome from Global STI Plan 2024 was EUR 67,992.

1. Introduction

This Remuneration Report (the "Report") is based on the Finnish Corporate Governance Code 2020 of the Securities Market Association and provides the details of the remuneration paid to members of the Board and the CEO. The Board's Personnel and Remuneration Committee (the "PRC") has reviewed the Report, and it has been approved by the Board on March 4, 2025. This Report provides information on the remuneration paid during the financial year 2024. For updated information on the Board and executive remuneration, please visit our website: **www.suominen.fi/en/investors/corporate-governance/remuneration**.

1.1 Remuneration at Suominen

The aim of Suominen's Remuneration Policy is to offer a framework for remuneration that incentivizes to pursue towards the Company's long-term financial performance and shareholder value creation. The Policy provides the Company with the principles for offering remuneration that attracts, motivates, and retains the best possible management and Board members who drive Suominen's performance and strategy in alignment with essential stakeholder interests. The Policy's goal is to ensure that the philosophy of paying for performance is applied to Suominen's remuneration.

The Policy has the following guiding principles:

- Total remuneration opportunity shall be competitive enough in relation to the market.
- Performance-based incentives form a significant part of the CEO's total target remuneration in order to emphasize a strong pay-for-performance alignment.
- Majority of the performance-based incentives emphasize long-term, rather than short-term performance and have a straight link to shareholder value.
- Share ownership requirement is set for the CEO in order to ensure balanced risk taking.

According to the Policy, Suominen aims to offer the CEO a remuneration structure that incentivizes towards the achievement of Suominen's strategic targets and long-term shareholder value creation. Suominen utilizes both short-term and long-term performance-based incentives for which the Board annually selects appropriate performance metrics that steer towards the implementation of Suominen's strategy and achievement of sustainable financial results in a competitive market.

The Policy is aligned with the remuneration principles applied to all Suominen employees. The remuneration shall be fair and reflect the competencies required to fulfill the requirements of each position. Pay-for-performance philosophy is widely followed in Suominen, and many of the performance metrics in the CEO's incentive plans are concurrently used in employees' incentive plans. However, a more significant portion of the CEO's total compensation is tied to performance-based incentives, as the Company aims to ensure a strong link between executive remuneration and the Company performance.

SUOMINEN REMUNERATION

Strengthens our culture, values, and supports shareholder value creation	Attracts, motivates, and retains our management and employees	Promotes strategy execution and is in line with our long-term financial goals	Supports the pay-for-performance philosophy

1.2 Pay-for-performance during the preceding five years

This section presents a comparison between the remuneration of the CEO and the Board, the average employee remuneration and the Company performance for the financial years 2020 to 2024.

During the last five years, remuneration for the CEO and our employees (on average) has been quite well in alignment with the Company's performance. When interpreting the figures in the table below, it is good to note the following:

1. For the CEO, the figures represent remuneration paid during that financial year, and a portion of such remuneration may have been earned during the previous year or years.
2. Employee pay figures, however, are accrual-based figures from financial statements meaning that some of the wages and salaries (for example bonuses) have been earned, but not paid during that year.
3. The average employee pay fluctuates in accordance with the Company's performance, but to a lesser degree than executive pay, as a smaller portion of total remuneration consists of variable remuneration.
4. The Board members do not participate in any incentive schemes, and correspondingly the Board remuneration has remained rather stable with occasional increases to annual and meeting fees. Variation mainly occurs due to different number of Board and Committee meetings during the year.

Remuneration development and company performance 2020–2024

	2020	2021	2022	2023	2024
CEO (Tommi Björnman, as of April 1, 2023) total remuneration[1] (EUR thousand)				385.2	604.2
Interim CEO (Klaus Korhonen, from November 30, 2022 to March 31, 2023) fixed remuneration[2] (EUR thousand)			20.4	62.4	
Previous CEO (Petri Helsky) total remuneration[3] (EUR thousand)	745.4	957.9	1,118.9		
Index[4]	100%	129%	153%	60%	81%
Employee pay (average)[5] (EUR thousand)	59.9	53.4	58.9	63.9	66.9
Index[4]	100%	89%	98%	107%	112%
Total Board remuneration[6] (EUR thousand)	275.3	258.4	285.0	289.0	332.0
Index[4]	100%	94%	104%	105%	121%
Charles Héaulmé					81.0
Jaakko Eskola		69.9	75.0	76.0	0.5
Andreas Ahlström	38.0	35.7	39.0	38.5	56.0
Björn Borgman	33.3	35.4	39.5	41.5	44.0
Nina Linander	43.5	46.8	52.5	52.5	56.6
Aaron Barsness			40.0	42.0	49.5
Laura Remes				37.0	44.5
Laura Raitio	38.0	35.7	39.0	1.5	
Sari Pajari-Sederholm	37.3	34.9			
Jan Johansson	76.3				
Risto Anttonen	4.5				
Hannu Kasurinen	4.5				
3-year TSR[7] (%)	12%	126%	41%	-35%	-45%
Share price development[8] (EUR)	4.90	4.82	2.86	2.70	2.38
Index[4]	100%	98%	58%	55%	49%
Comparable EBITDA (EUR million)	60.9	47.0	15.3	15.8*	17.0
Index[4]	100%	77%	25%	26%	28%

[1] CEO total remuneration includes all payments made to the CEO during the financial year.
[2] Previous Interim CEO Klaus Korhonen's remuneration in 2022 and 2023 is from the period he acted as the interim CEO and includes only the fixed salary during the stated period.
[3] Previous CEO Petri Helsky's remuneration in 2020–2022 includes all payments made to the CEO during the period he acted as the CEO.
[4] First year (2020) in the time-series set at 100%.
[5] Employee pay is the wages and salaries of our personnel from the Financial Statements divided by the average number of employees.
[6] Total Board remuneration includes all payments made to the Board during the financial year.
[7] Total Shareholder Return (share price increase plus dividend yield) is calculated based on 3-month closing average prior to the end of the financial year. For example, the 3-year TSR for 2024 is calculated as (Q4/2024 average share price - Q4/2021 average share price) ÷ Q4/2021 average share price + (paid dividends in 2022, 2023 and 2024) ÷ Q4/2021 average share price.
[8] Share price development is calculated based on 3-month closing average prior to the end of the financial year.
* In the Remuneration report in year 2023 the Comparable EBITDA has been reported as 15.9. The correct amount is 15.8.

1.3 Information on the previous vote for the Remuneration Report and any deviations or clawbacks made

At the AGM on April 4, 2024, 95,7% of the votes cast were in favor of the Remuneration Report 2023. The PRC and the Board have considered the feedback provided by the shareholders at the AGM.

During 2024, Suominen has not exercised any rights to reclaim (clawback) or cancel (malus) any paid or unpaid incentives. Also, there was no need to deviate from the Remuneration Policy during 2024.

2. Remuneration of the Board of Directors for the preceding financial year

As stated in the Remuneration Policy, the General Meeting determines the remuneration paid to the members of the Board in advance, for one year at a time. Shareholders' Nomination Board prepares independently a proposal on the remuneration of the Board to be presented for the General Meeting.

The basis for determination of the Board remuneration is to ensure that the remuneration is competitive in relation to the market and that the remuneration reflects the competencies and efforts required from the members of the Board to fulfill their duties.

Suominen's AGM held on April 4, 2024, resolved to increase the annual remuneration payable to the members of the Board. The current remuneration is as follows:

- The Chair is paid an annual fee of EUR 74,000.
- The Deputy Chair is paid an annual fee of EUR 45,000.
- Other Board members are paid an annual fee of EUR 35,000.
- Chair of the Audit Committee is paid an additional fee of EUR 10,000.
- Further, the members of the Board receive a fee for each Board and Committee meeting as follows:
  - EUR 500 for each meeting held in the home country of the respective member
  - EUR 1,000 for each meeting held elsewhere than in the home country of the respective member
  - EUR 500 for each meeting attended by telephone or other electronic means.

75% of the annual fee was paid in cash and 25% in Suominen's shares. The shares were transferred out of the own shares held by the Company by the decision of the Board on May 16, 2024.

Members of the Board are not employees of Suominen and do not participate in any Suominen incentive scheme or pension arrangement. In accordance with the pension laws in Sweden, the fees paid to the Swedish members of the Board are subject to employment pension contributions. All payments to the members of the Board during 2024 have been in compliance with the Remuneration Policy. In 2024, the following fees were paid to the members of the Board:

Remuneration of the Board of Directors in 2024

		Annual remuneration paid in cash (EUR)	Value of the annual remuneration paid in shares (EUR)	Annual remuneration paid in shares (nr of shares)	Meeting fees (EUR)	**Total (EUR)**
Charles Héaulmé (as of April, 2024)	Chair	55,433.62	18,566.38	6,902	7,000	81,000
Jaakko Eskola (until April 4, 2024)	Chair				500	500
Andreas Ahlström	Deputy Chair	33,710.07	11,289.93	4,197	11,000	56,000
Aaron Barsness	Member	26,219.84	8,780.16	3,264	14,500	49,500
Björn Borgman	Member	26,219.84	8,780.16	3,264	9,000	44,000
Nina Linander*	Member	33,710.07	11,289.93	4,197	11,500	56,500
Laura Remes	Member	26,219.84	8,780.16	3,264	9,500	44,500

* Chair of the Audit Committee; including an additional fee of EUR 10,000

Remuneration of the members of the Board of Directors, including the value of the remuneration paid in Suominen shares, totaled EUR 332,000 in 2024.

Additionally, compensation for expenses has been paid in accordance with the Company's travel policy.

3. Remuneration of the President & CEO for the preceding financial year

Tommi Björnman acted as the Company's CEO in 2024.

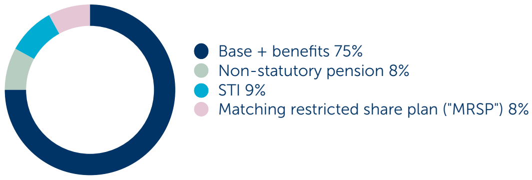
In 2024, Tommi Björnman's remuneration consisted of fixed base salary (including fringe benefits), supplementary pension, and variable incentives including rewards from the Global STI Plan 2023 and share-based incentive Matching restricted share plan ("MRSP").

With the exception of Matching restricted share plan ("MRSP"), CEO did not receive any LTI payments in 2024.

In 2024, Tommi Björnman was paid a total remuneration of EUR 657,300, consisting of fixed salary and benefits of EUR 604,170, a cash bonus from the Global STI Plan 2023 of EUR 58,242, a reward from Matching restricted share plan ("MRSP") of EUR 54,422 and a supplementary pension payment of EUR 53,130.

In 2024, Tommi Björnman earned the following variable incentives which are to be paid in 2025: The reward from the Global STI 2024 was based on Group EBITDA (Earnings before interest, taxes, depreciation, amortization, 50% weight), Group CM (Contribution margin, 20% weight), Group RME (Raw material efficiency, 10% weight) and personal targets (20% weight). The outcome for these targets in total was between threshold and target equaling to EUR 67,992.

Total CEO pay in 2024 in proportions

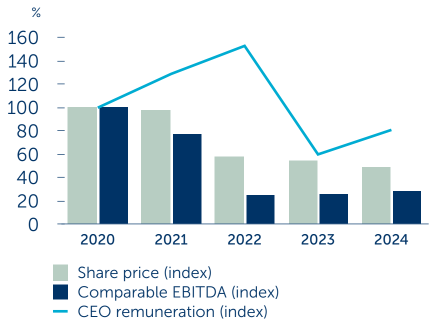


STI 2024 KPIs and achievement for the CEO[1]

KPI	Weight	Achievement
Group EBITDA	50%	Between threshold and target
Group CM	20%	Between threshold and target
Group RME	10%	Below threshold
Personal targets	20%	Between target and maximum
Total	**100%**	**Between threshold and target**

[1] To be paid during 2025

Company performance and CEO remuneration 2020–2024



CEO Tommi Björnman's remuneration in 2024 is further described in the table below.

Element	Quantum	Purpose, link to strategy and description from the remuneration policy	Comment on compliance
Base salary + benefits	Paid in 2024 (including holiday pay): Base salary: EUR 480,489 Benefits: EUR 11,017	The purpose is to provide fixed remuneration that is competitive with the external market and reflects the scale and complexity of the Company's business. Base salary includes taxable fringe benefits, such as company car, lunch, and telephone. Base salary is determined based on a variety of factors, such as market level and the individual's skills and experience. Base salary is typically reviewed annually.	Complies with the Policy: The CEO is eligible for benefits such as company car, health insurance, lunch, and telephone.
Supplementary pension arrangement	Paid in 2024: EUR 53,130	The purpose is to provide a competitive level of retirement income. The supplementary pension plan is a defined-contribution pension scheme. The pension allowance is determined based on the CEO's annual base salary.	Complies with the Policy: The CEO participates in a non-statutory supplementary defined contribution pension plan. The Company's contribution was 11.5% of the annual base salary in 2024. Pension starts from the age of 63.
Cash bonus (short-term remuneration)	Earned from financial year 2023 (Global STI 2023, paid in 2024: EUR 58,242 Earned from financial year 2024 (Global STI 2024), to be paid in 2025: EUR 67,992	The purpose is to steer towards and reward for the achievement of short-term financial and operational performance and to support the delivery of the business strategy. Performance is measured over one year and the cash bonus is paid after the year end. The cash bonus is paid in cash based on achieved one-year performance.	Complies with the Policy: Maximum STI% in 2024 was 60% of the annual base salary (excluding holiday pay).

Element	Quantum	Purpose, link to strategy and description from the remuneration policy	Comment on compliance
Share-based incentive plans (long-term remuneration)	Earned from Matching restricted share plan ("MRSP") June 1, 2023–June 1, 2024, paid in 2024: EUR 54,422 With the exception of Matching restricted share plan ("MRSP"), no LTI paid in 2024.	The purpose is to reward for the delivery of long-term shareholder value, to align the CEO's interests with those of the shareholders and to increase the value of the Company by offering a share ownership-based reward structure. The CEO may have share-based incentive plans, which reward for the Company's performance, or which are used for retention purposes. Currently Suominen's performance-based long-term incentive mechanism is a share-based plan, which offers the CEO the opportunity of earning a predetermined number of Suominen shares as a reward. Payment of the reward is dependent on the achievement of performance targets set by the Board and continued employment. The Board resolves the maximum number of shares that can be earned from the plan. Long-term incentive awards are denominated in number of Suominen shares but paid in shares and cash intending to cover the taxes that incur from the receipt of shares.	Complies with the Policy: The CEO is eligible in an MRSP plan, the aim of which is to align the objectives of the shareholders and the CEO in order to increase the value of Suominen in the long-term, to retain the CEO at the Company, and to offer him a competitive reward plan that is based on acquiring, receiving and accumulating the Company's shares. Under the plan, the CEO is expected to own or acquire up to 30,000 shares of the Company. The Company will match the share investment by way of the CEO receiving, without consideration, up to 60,000 matching shares (gross including also the proportion to be paid in cash). The plan includes three vesting periods, June 1, 2023–June 1, 2024, June 1, 2023–June 1, 2025 and June 1, 2023–June 1, 2026. The potential reward will be paid partly in shares and partly in cash in three equal installments after each vesting period, provided that the CEO's service in the Company is in force at the time of the reward payment. The CEO is eligible in the LTI Performance Period 2023–2025. His maximum earning opportunity under the LTI plan equals to 168,500 shares (gross) of the Company. The performance metric in the plan is relative total shareholder return. The possible reward under the plan will be paid in spring 2026. The CEO is eligible in the LTI Performance Period 2024–2026. His maximum earning opportunity under the LTI plan equals to 213,231 shares (gross) of the Company. The performance metrics in the plan are absolute total shareholder return, relative total shareholder return and raw material efficiency. The possible reward under the plan will be paid in spring 2027.
Share ownership prerequisite		The CEO must hold 50% of the net number of shares given based on long-term performance-based plan, until his or her shareholding in total corresponds to the value of his/her annual gross salary for the calendar year preceding the payment of the reward. Such number of shares must be held as long as his or her service in the Company continues.	Complies with the Policy: The CEO has not sold any shares received from the Matching Restricted Share Plan ("MRSP") vesting period 2023–2024.

Tax management, tax strategy and footprint

Tax management and tax strategy

Suominen Group (Suominen) has a tax policy as well as tax guidelines approved by the Board of Directors of Suominen. All Suominen group companies must comply with the policy and guidelines. The Chief Financial Officer (CFO) of Suominen as well as the Group finance organization are responsible for the overall tax management and planning. Day-to-day local tax management is decentralized within the finance organizations of the subsidiaries in the countries where Suominen operates.

In line with its Code of Conduct, Suominen is committed to operating in a responsible way and to complying with ethically acceptable principles in all its activities. This includes fulfilling all reporting requirements and paying all legally imposed direct, indirect, and other taxes. Suominen aims to fully comply with all statutory requirements and compliance deadlines in the countries where it operates.

Suominen seeks to carry out reasonable and fair tax planning and tax compliance in a manner that enables it to maintain a stable and supportable tax position. When it comes to the Group's tax obligations, the main target is to identify and acknowledge the fiscal status and obligations of the Group in advance. No artificial tax driven arrangements are carried out and all transactions are business driven.

Suominen's objective in tax risk management is to avoid retroactive changes to the tax positions it has taken in any of its filings in all the jurisdictions it operates in, as well as to avoid retroactive tax payments, interest payments and any tax payment related penalties. Therefore, Suominen's objective is that it will not take or enter into tax positions which are not considered supportable. However, as Suominen's objective is also to optimize its tax charge in all jurisdictions it operates, it can be possible that in certain situations Suominen takes or enters into a tax position which is not fully certain. In that case, the uncertain positions are evaluated by considering the risks and rewards related to the tax position. The decision of whether to enter into the uncertain tax position is made based on a risk analysis.

Tax footprint

Suominen's tax footprint represents the economic impact on society arising from Suominen's operations in the countries where it operates. Suominen's business operations result in liabilities to pay taxes and similar payments, as well as in a liability to collect and remit taxes and similar payments that arise purely from the business activities of the group companies.

Suominen's tax footprint arises purely from the business operations in the countries where it operates and Suominen has not entered into any arrangements aiming to change or rearrange its tax burden from what arises from normal business operations. The trading of goods between Suominen group companies is extremely limited, and basically the group companies sell the products they manufacture directly to the end customer. Due to the business model, Suominen pays corporate income taxes in the countries where the value from its production is created.

The group companies receiving intra-group services are charged a service fee. The pricing of the service fee is in line with the arm's length principle.

Suominen has companies only in those five countries – Brazil, Finland, Italy, Spain and the United States – where it has both production and sales operations. In respect of taxes and similar payments, Suominen applies the laws and regulations of each country.

The main markets of the Finnish group companies of Suominen are abroad. Due to this, the export sales of these companies significantly exceed their domestic sales. No value added tax is levied on export sales, which leads into a situation where the Finnish group companies' deductible value added tax on their purchases subject to value added tax is considerably higher than the value added tax they remit based on their taxable sales. As a result, Suominen receives a refund of value added tax in Finland.

Suominen's tax footprint includes not only the taxes and similar payments that are group companies' costs but also the taxes and similar payments which the group companies collect and remit, such as indirect taxes. Deferred taxes, which arise from the timing differences between taxation and accounting and are recognized in the financial statements, are not included in the tax footprint.

In 2024, Suominen employed on average 689 people (FTEs) in its operations. As a result, Suominen generated a positive economic contribution to the surrounding society in the form of employees' income taxes, as well as social security contributions by both the company and the employees. Thus, Suominen's tax footprint includes also the collected and remitted employees' income taxes as well as social security contributions, but the employer's taxes are clearly separated from the employees' taxes and payments in the report.

Suominen's corporate income taxes are significantly affected by tax losses generated in certain countries where Suominen operates. Based on local tax laws and regulations, tax losses are normally carried forward and deducted from the taxable profits generated in the future. Suominen is subject to group tax consolidation methods in several countries based on each country's tax laws and regulations, which effectively means that Suominen's local companies are taxed on the local consolidated taxable income.

Suominen's corporate income tax paid in Finland is also affected by withholding taxes collected in the country of origin on the taxable income. As the income received is from countries with which Finland has tax treaties to avoid double taxation, these withholding taxes are credited in the Finnish corporate taxation.

The group companies also pay property and real estate taxes based on the land and buildings they own, environmental and energy taxes as well as different fiscal payments levied, for example, on manufacturing operations. Suominen does not consider these as indirect taxes to be collected and remitted but as taxes that are costs for the group companies.

Certain countries where Suominen operates grant eligible companies tax credits for example in the form of additional depreciation and amortization of assets. The granted tax credits can in some countries be used in offsetting them against different tax or similar payments.

Taxes and similar payments borne

	2024		2023	
EUR thousand	Finland	Other countries	Finland	Other countries
Corporate income tax, tax on profit	-1,387	-1,211	321	-2,195
Property taxes	-84	-1,255	-82	-1,704
Employer contributions and taxes	-1,920	-11,079	-1,823	-10,338
VAT as expense	-22	-10	-18	-5
Custom duties on export*	–	0	–	–
Custom duties on import*	-259	-1,461	-286	-939
Excise duties	-83	-526	-52	-378
Other taxes and similar payments	-49	-258	-42	-276
Received tax credits	–	257	–	1,134
TOTAL	**-3,805**	**-15,545**	**-1,983**	**-14,701**

Taxes and similar payments collected and paid

	2024		2023	
EUR thousand	Finland	Other countries	Finland	Other countries
Net VAT	3,444	-11,858	3,498	-13,439
Payroll taxes and similar payments collected and paid	-3,502	-9,857	-3,956	-9,513
Withholding taxes on various payments	-178	-131	-186	-153
TOTAL	**-237**	**-21,846**	**-644**	**-23,106**

* Custom Duties are borne by the company importing or exporting goods. Custom Duties are not collected and/or paid by some other taxpayer. For these reasons Custom Duties are reported as taxes borne.

Board of Directors

DECEMBER 31, 2024

CHARLES HÉAULMÉ

b. 1966

B. Sc. (Business Administration)

President and CEO, Huhtamäki Oyj (until January 14, 2025)

Member of the Board since 2024

Chair of the Board since 2024

Independent member

Shareholding*:
19,902 Suominen shares

ANDREAS AHLSTRÖM

b. 1976

M.Sc. (Economics and Business Administration)

CEO, Ahlström Invest B.V.

Member of the Board since 2015

Deputy Chair of the Board since 2020

Non-independent member

Shareholding*:
30,989 Suominen shares

AARON BARSNESS

b. 1973

BA (Biology and Environmental Studies)

CMO, Fazer Group

Member of the Board since 2022

Independent member

Shareholding*:
8,723 Suominen shares

BJÖRN BORGMAN

b. 1975

M.Sc. (Industrial Engineering)

CEO, HL Display AB

Member of the Board since 2020

Independent member

Shareholding*:
28,166 Suominen shares

NINA LINANDER

b. 1959

B.Sc. (Economics), MBA

Member of the Board since 2020

Independent member

Shareholding*:
31,828 Suominen shares

LAURA REMES

b. 1980

M.Sc. (Technology)

Vice President, Strategy and Business Development, UPM Fibres

Member of the Board since 2023

Independent member

Shareholding*:
6,220 Suominen shares

Jaakko Eskola acted as the Chair of the Board until April 4, 2024.

More detailed, up-to-date information on the principal working experience and positions of trust of the members of the Board is available at **www.suominen.fi**. Information on the Board's remuneration is included in Suominen's Remuneration Report.

* Shareholding refers to shares and share-based rights of each director and the corporations over which he/she exercises control on December 31, 2024.

Executive Management Team

DECEMBER 31, 2024

TOMMI BJÖRNMAN

President & CEO

b. 1966

M.Sc. (Industrial Engineering and Management)

Joined Suominen in 2023

Shareholding*:
39,556 Suominen shares

JANNE SILONSAARI

CFO

b. 1980

M.Sc. (Economics and Business Administration)

Joined Suominen in 2023

Shareholding*: –

JONNI FRIMAN

EVP, Transformation Management Office

b. 1971

M.Sc. (Industrial Engineering and Management)

Joined Suominen in 2023

Shareholding*: –

MARKKU KOIVISTO

EVP, EMEA & CTO

b. 1971

M.Sc. (Technology)

Joined Suominen in 2017

Shareholding*:
53,172 Suominen shares

Klaus Korhonen, EVP, HR & Legal, was a member of the Executive Management Team until May 30, 2024 and left the company on June 28, 2024.

Thomas Olsen acted as EVP, Americas and member of the Executive Management Team until August 25, 2024. Markku Koivisto acted as interim EVP, Americas between August 26, 2024 – January 5, 2025. Mark Ushpol was appointed as the EVP, Americas and member of the Executive Management Team on December 5, 2024 and started in the role on January 6, 2025.

Minna Rouru was appointed as the Chief People & Communications Officer and member of the Executive Management Team on October 21, 2024 and she started in the role on January 20, 2025.

Darryl Fournier was appointed as the Chief Operating Officer and member of the Executive Management Team on January 27, 2025 and he started in the role on February 10, 2025.

More detailed, up-to-date information on the principal working experience, positions of trust and remuneration of the members of Suominen's Executive Team is available at **www.suominen.fi**.

* Shareholding refers to the shares and share-based rights of each executive and the corporations over which he/she exercises control on December 31, 2024.

Report by the Board of Directors and Financial Information

Report by the Board of Directors and Financial Information

JANUARY 1–DECEMBER 31, 2024

Report by the Board of Directors 2024

Highlights of Suominen's financial year 2024

- Net sales increased by 2.5% and were EUR 462.3 million (450.9)
- Comparable EBITDA improved to EUR 17.0 million (15.8)
- Cash flow from operations totaled to EUR 3.9 million (30.7)
- Board of Directors proposes to the Annual General meeting that no dividend shall be distributed for the financial year 2024

Key figures	2024	2023	2022
Net sales, EUR million	462.3	450.9	493.3
Comparable EBITDA, EUR million	17.0	15.8	15.3
EBITDA, EUR million	17.2	11.2	14.3
Comparable operating profit, EUR million	-1.4	-2.8	-4.2
Operating profit, EUR million	-1.3	-7.5	-9.0
Profit for the period, EUR million	-5.3	-12.8	-13.9
Earnings per share, basic, EUR	-0.09	-0.22	-0.24
Earnings per share, diluted, EUR	-0.09	-0.22	-0.24
Cash flow from operations per share, EUR	0.07	0.53	0.24
Return on invested capital, rolling 12 months, %	-0.7	-4.1	-4.2
Gearing, %	51.7	35.3	37.4
Dividend per share, EUR*	0.00	0.10	0.10

* 2024 the proposal of the Board of Directors to Annual General Meeting

The figures shown in brackets refer to the performance in 2023, unless otherwise stated.

Net sales

In 2024, Suominen's net sales increased by 2.5% from the comparison period to EUR 462.3 million (450.9). The increase in sales was driven by higher sales volumes offset by lower sales prices resulting from lower raw material prices. Currencies impacted net sales negatively by EUR 1.8 million.

Net sales of Americas business area were EUR 287.9 million (288.0) and net sales of EMEA business area EUR 174.4 million (162.8).

EBITDA, operating profit and result

Comparable EBITDA (earnings before interest, taxes, depreciation and amortization) was EUR 17.0 million (15.8). EBITDA was EUR 17.2 million (11.2). The main contributor to the improvement was higher sales margins driven by the actions we took in commercial excellence. Currencies impacted EBITDA negatively by EUR 0.8 million.

Comparable operating profit amounted to EUR -1.4 million (-2.8). Operating profit amounted to EUR -1.3 million (-7.5). Items affecting comparability of EBITDA and operating profit were EUR +0.2 million (-4.8), related to the closure of Mozzate plant as well as to the restructuring program initiated in May.

In 2024, profit before income taxes was EUR -5.3 million (-13.5). Income taxes for the financial year were EUR +0.1 million (+0.7).

The profit for the period was EUR -5.3 million (-12.8).

Net sales, EBITDA and operating profit

EUR thousand	2024	2023	2022
Net sales	462,318	450,851	493,298
Comparable EBITDA	17,001	15,813	15,257
EBITDA	17,174	11,163	14,287
Comparable operating profit	-1,426	-2,750	-4,163
Operating profit	-1,257	-7,517	-8,958

Financing

The Group's net interest-bearing liabilities, calculated with the nominal value of the interest-bearing liabilities at the end of the review period, December 31, 2024, amounted to EUR 60.8 million (44.1). Gearing was 51.7% (35.3%) and equity ratio 37.9% (39.5%).

In 2024, net financial expenses were EUR -4.1 million (-6.0), or 0.9% (1.3%) of net sales. Net effect of changes in foreign exchange rates in financial items was EUR 1.0 million (-0.6).

Cash flow from operations in 2024 was EUR 3.9 million (30.7). Cash flow from operations per share in 2024 was EUR 0.07 (0.53). The financial items in the cash flow from operations, in total EUR -5.0 million (-5.0), were principally impacted by the interests paid during the reporting period. The change in the net working capital in 2024 was EUR 5.9 million negative (EUR 25.7 million positive) mainly due to more cash being tied up to inventory.

Capital expenditure

In 2024, the gross capital expenditure totaled EUR 16.0 million (11.2) and the largest items were related to the growth investment initiatives Bethune, USA and Alicante, Spain. Other investments were mainly for maintenance.

In 2024 Suominen announced two large investments which strengthen its capabilities in sustainable products. In May, Suominen announced an approximately EUR 10 million investment in enhancing and upgrading one of the production lines in Bethune, South Carolina, USA. The investment project will be completed in the first half of 2025. In August, Suominen announced of an investment in a new production line to its site in Alicante, Spain. The total value of the investment is approximately EUR 20 million and the investment project will be completed in the second half of 2025.

Depreciations and amortizations were EUR -18.4 million (-18.6) and impairment losses were EUR -0.0 million (-0.1).

Capital expenditure and depreciation, amortization and impairment losses

EUR thousand	2024	2023	2022
Gross capital expenditure	16,004	11,223	9,712
% of net sales	3.5	2.5	2.0
Depreciation, amortization and impairment losses	-18,428	-18,680	-23,245

Key ratios

	2024	2023	2022
Return on equity (ROE), %	-4.4	-9.6	-8.8
Return on invested capital (ROI), %	-0.7	-4.1	-4.2
Equity ratio, %	37.9	39.5	42.5
Interest-bearing net debt, EUR million*	60.8	44.1	54.6
Capital employed, EUR million	178.0	168.4	199.8
Gearing, %	51.7	35.3	37.4

* At nominal value

Key ratios per share

	2024	2023	2022
Earnings per share, EUR, basic	-0.09	-0.22	-0.24
Earnings per share, EUR, diluted	-0.09	-0.22	-0.24

Key ratios per share

	2024	2023	2022
Cash flow from operations per share, EUR	0.07	0.53	0.24
Equity per share, EUR	2.04	2.17	2.54
Price per earnings per share (P/E) ratio	-24.9	-12.9	-12.4
Dividend per share, total, EUR*	0.00	0.10	0.10
Dividend payout ratio, %	N/A	-45.1	-41.4
Dividend yield, %	N/A	3.51	3.33

* 2024 the proposal of the Board of Directors to Annual General Meeting

Additional key ratios per share and calculation of the key ratios are presented in the consolidated financial statements.

Key ratios per share are share issue adjusted. Definitions for key ratios per share are presented in the consolidated financial statements. Key ratios are alternative performance measures and the definitions of them are presented in the Annual Report.

Quarterly development 2024

	2024				
EUR thousand	10–12	7–9	4–6	1–3	January 1–December 31, 2024
Net sales	118,510	111,553	118,668	113,587	462,318
Comparable EBITDA	4,231	3,305	4,982	4,484	17,001
as % of net sales	3.6	3.0	4.2	3.9	3.7
Items affecting comparability	1,135	72	-1,224	190	173
EBITDA	5,365	3,377	3,758	4,673	17,174
as % of net sales	4.5	3.0	3.2	4.1	3.7
Comparable operating profit	-265	-1,481	408	-88	-1,426
as % of net sales	-0.2	-1.3	0.3	-0.1	-0.3
Items affecting comparability	1,135	72	-1,224	186	169
Operating profit	869	-1,409	-816	99	-1,257
as % of net sales	0.7	-1.3	-0.7	0.1	-0.3
Net financial items	-275	-1,926	-1,095	-790	-4,086
Profit before income taxes	595	-3,335	-1,911	-691	-5,343
as % of net sales	0.5	-3.0	-1.6	-0.6	-1.2

Research and development

At Suominen, research and development activities are organized into R&D function. In the end of 2024, R&D function had 14 (14) employees. Research and development expenses amounted to EUR 4.0 million (3.9), corresponding to 0.9% (0.9%) of net sales.

Suominen's vision is to be the frontrunner for nonwovens innovation and sustainability. In addition, one of the five focus areas of the strategy is to differentiate with innovation and commercial excellence. Legislation and consumer behavior drive for more sustainable products and we continuously develop new products made of renewable, recycled, compostable or plastic-free materials to meet the market needs.

Suominen Corporation, the parent company of the Group, owns all business-related patents and related technologies, know-how, processes, recipes and all other solutions developed by Suominen Corporation. The company is targeting to have extensive industrial rights to the nonwoven-based solutions and technologies as well as test and pilot equipment needed. This way it can offer best possible support to the Group companies to satisfy the current and future customer needs.

Personnel

During 2024, Suominen employed 689 FTEs (682) on average, and 722 (659) FTEs at the end of 2024. The increase is mainly in the operations function.

Personnel related key ratios

	2024	2023	2022
Average number of personnel (FTEs - full time equivalent)	689	682	707
Wages and salaries, EUR thousand	-46,621	-43,598	-41,660

Shares and governance

Share capital

The number of Suominen's registered shares was 58,259,219 on December 31, 2024, equaling to a share capital of EUR 11,860,056.00. Suominen has one series of shares. Each share carries one vote in the Shareholders' Meeting and right to an equally-sized dividend. Suominen's shares are affiliated in a book-entry system.

Share trading and price

The number of Suominen Corporation shares (SUY1V) traded on Nasdaq Helsinki from January 1 to December 31, 2024, was 951,426 shares, accounting for 1.7% of the average number of shares (excluding treasury shares). The highest price was EUR 2.93, the lowest EUR 1.96, and the volume-weighted average price EUR 2.53. The closing price at the beginning of the review period, on January 2, 2024, was EUR 2.78 and the closing price on the last trading date of the review period, on December 30, 2024, was EUR 2.28. The market capitalization (excluding treasury shares) was EUR 131.6 million on December 31, 2024.

Authorizations of the Board of Directors

The AGM held on April 4, 2024, authorized the Board of Directors to decide on repurchasing a maximum of 1,000,000 company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd.

The shares shall be repurchased to be used in the company's share-based incentive programs, in order to disburse the remuneration of the members of the Board of Directors, for use as consideration in acquisitions related to the company's business, or to be held by the company, to be conveyed by other means or to be cancelled.

The Board of Directors shall decide on other terms and conditions related to the repurchase of the company's own shares. The repurchase authorization is valid until June 30, 2025, and it revokes all earlier authorizations to repurchase company's own shares.

The AGM authorized the Board of Directors to decide on the share issue, conveying the company's own shares held by the company and/or granting of options and other special rights referred to in Chapter 10, Section 1 of the Companies Act.

By virtue of the proposed authorization, the Board of Directors may, by one or several resolutions, issue a maximum of 5,000,000 shares. The share issue and shares granted by virtue of options and other special rights are included in the aforementioned maximum number. Option and other special rights may not be granted as a part of the company's remuneration system.

The share issue can be made either against payment or without payment and can also be directed to the company itself. The authorization entitles the Board of Directors to issue the shares also otherwise than in proportion to the shareholdings of the shareholders (directed share issue). The authorization can be used to carry out acquisitions or other arrangements related to the company's business, to finance investments, to improve the company's financial structure, as part of the company's remuneration system or to pay the share proportion of the remuneration of the members of the Board of Directors or for other purposes decided by the Board of Directors.

The authorizations shall revoke all earlier authorizations regarding share issue and issuance of special rights entitling to shares. The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations are valid until June 30, 2025.

In accordance with the resolution by the Annual General Meeting, in total 25,088 shares were transferred in May to the members of the Board of Directors as their remuneration payable in shares.

As a part of the CEO's share-based payment plan vested, in total 9,556 shares were transferred to the CEO in June.

After these transactions, the maximum amount of the authorization is 4,965,356 shares in aggregate.

Remuneration of the Board payable in shares

The Annual General Meeting held on April 4, 2024, decided that 75% of the annual remuneration of the members of the Board of Directors is paid in cash and 25% in Suominen Corporation's shares.

The number of shares forming the remuneration portion payable in shares was determined based on the share value in the stock exchange trading maintained by Nasdaq Helsinki Ltd, calculated as the trade volume-weighted average quotation of the share during the two-week period immediately following the date on which the Interim Report of January–March 2024 of the company was published. The shares were given out of the treasury shares held by the company by the decision of the Board of Directors on May 16, 2024.

Share-based incentive plans for the management and key employees valid in 2024

The Group management and key employees participate in the company's share-based long-term incentive plans. The plans are described in more detail in the Financial Statements and in the Remuneration Report, available on the company's website **www.suominen.fi**.

Company's Performance Share Plan currently includes three 3-year performance periods, calendar years 2022–2024, 2023–2025 and 2024–2026. The aim of the Performance Share Plan is to combine the objectives of the shareholders and the persons participating in the plan in order to increase the value of the company in long-term, to build loyalty to the company and to offer them competitive reward plans based on earning and accumulating the company's shares.

Performance Share Plan: Ongoing performance periods

Performance period	2022–2024	2023–2025	2024–2026
Incentive based on	Total Shareholder Return (TSR)	Total Shareholder Return (TSR)	Absolute Total Shareholder Return (40%), Relative Total Shareholder Return (40%) and operative performance and sustainability goal (20%)
Potential reward payment	Will be paid partly in Suominen shares and partly in cash in spring 2025	Will be paid partly in Suominen shares and partly in cash in spring 2026	Will be paid partly in Suominen shares and partly in cash in spring 2027
Participants	16 people	17 people	22 people
Maximum number of shares	130,500	500,500	845,191

The President & CEO of the company must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of his or her annual gross salary. A member of the Executive Team must hold 50% of the net number of shares given on the basis of the plan, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. Such a number of shares must be held as long as the participant's employment or service in a group company continues.

The President & CEO's share-based incentive plan

The Board of Directors of Suominen Corporation resolved on May 19, 2023, to establish a new share-based incentive plan for the company's President & CEO. The aim of the plan is to align the objectives of the shareholders and the President & CEO in order to increase the value of Suominen in the long-term, to retain the President & CEO at the company, and to offer him a competitive reward plan that is based on acquiring, receiving and accumulating the company's shares.

Under the plan the President & CEO is expected to own or acquire up to 30,000 shares of Suominen Corporation at a price formed in public trading on Nasdaq Helsinki. Suominen will match the share investment by way of the President & CEO receiving, without consideration, up to 60,000 matching shares (gross, including also the proportion to be paid in cash).

The plan includes three vesting periods, June 1, 2023–June 1, 2024, June 1, 2023–June 1, 2025, and June 1, 2023–June 1, 2026. The potential reward will be paid partly in shares and partly in cash in three equal installments after each vesting period, provided that the President & CEO's service in the company is in force at the time of the reward payment. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the President & CEO.

The first vesting period ended in June 2024, and in total 9,556 shares were transferred to the CEO.

Shareholders

At the end of the review period, on December 31, 2024, Suominen Corporation had in total 4,813 shareholders. Suominen is not aware of any shareholder agreements related with the shareholding or use of voting rights. Share ownership is presented in the consolidated financial statements in Note 13. Related parties' share ownership is presented in Note 30 in the consolidated financial statements.

Treasury shares

On December 31, 2024, Suominen Corporation held 532,116 treasury shares.

In accordance with the resolution by the Annual General Meeting, in total 25,088 shares were transferred in May to the members of the Board of Directors as their remuneration payable in shares.

As a part of the CEO's share-based payment plan vested, in total 9,556 shares were transferred to the CEO in June.

Notifications under Chapter 9, Section 5 of the Securities Market Act

During the review period Suominen received no notifications under Chapter 9, Section 5 of the Securities Market Act.

Information pursuant to Decree 1020/2012 by the Ministry of Finance, not presented in the consolidated financial statements

There are neither restrictions of transfer nor redemption or approval clauses related to the shares of Suominen Corporation or securities entitling to shares.

Suominen Corporation is not participating in any arrangements where the financial rights related to a share or a security entitling to hold a share would have been separated.

In accordance with the Articles of Association of Suominen Corporation and the Companies Act, the Shareholders' Meeting elects the Board of Directors. In accordance with the Articles of Association, the Board of Directors decides on the nomination of the President & CEO. The Articles of Association includes no specific stipulation on altering the Articles of Association. Shareholders' Meeting decides on share issues and acquisition of own shares, in accordance with the Limited Liability Companies Act.

The members of the Board of Directors have no specific contracts with the company regarding compensation in case a member resigns, is dismissed or his/her task ceases to exist due to a public tender offer. The President & CEO had no separate contract to be applied if his contract would have been terminated due to a public tender offer. The principal terms and conditions of the service contract of the President & CEO are presented in Note 30 of the consolidated financial statements and in the Remuneration Report 2024 of Suominen Corporation.

Composition of the Nomination Board

Suominen's three largest registered shareholders Ahlstrom Capital B.V., Etola Group Oy and Oy Etra Invest Ab have nominated the following members to the Shareholders' Nomination Board:

- Jyrki Vainionpää, President & CEO of A. Ahlström Oy, as a member appointed by Ahlstrom Capital B.V.
- Mikael Etola, CEO of Etola Group Oy, as a member appointed by Etola Group Oy
- Peter Seligson, Chair of the Board of Directors of A. Ahlström Oy, as a member appointed by Oy Etra Invest Ab

Charles Héaulmé, Chair of Suominen's Board of Directors, serves as the fourth member of the Nomination Board. The shareholders entitled to appoint members to the Nomination Board were determined on the basis of the registered holdings in the company's shareholders' register on September 2, 2024.

In its organizing meeting on September 19, 2024, the Nomination Board elected Jyrki Vainionpää as the Chair of the Nomination Board.

Changes in the Executive team

On May 31, 2024, Suominen announced that Klaus Korhonen, EVP, HR & Legal will leave the company.

On August 26, 2024, Suominen announced that Thomas Olsen, EVP, Americas will leave the company. Markku Koivisto was appointed as interim EVP, Americas in addition to his current role as EVP, EMEA and CTO.

On October 21, 2024, Suominen announced that Minna Rouru, M.Sc. Social Sciences, was appointed Chief People & Communications Officer at Suominen. She became a member of Suominen's Executive Management Team and reports to President and CEO Tommi Björnman. Mrs. Rouru started in her new position in January, 2025.

On December 5, 2024, Suominen announced that Mark Ushpol was appointed EVP, Americas business area. He is a member of Suominen's Executive Management Team and reports to President and CEO Tommi Björnman. He started in his new position on January 6, 2025.

Annual General Meeting

The Annual General Meeting (AGM) of Suominen Corporation was held on April 4, 2024.

The AGM adopted the Financial Statements for 2023 and discharged the members of the Board of Directors and the President and CEO from liability for the 2023 financial year.

The AGM resolved to approve the Remuneration Report for the company's governing bodies for 2023. The resolution made is advisory. The AGM resolved to support the Remuneration Policy for the company's governing bodies. The resolution made is advisory. The AGM approved the Board of Directors' proposals concerning the authorization for the Board to decide on repurchasing of the company's shares as well as issuance of shares and granting of options and other special rights entitling to shares.

The AGM confirmed the remuneration of the Board of Directors. The Chair will be paid an annual fee of EUR 74,000, the Deputy Chair an annual fee of EUR 45,000 and other Board members an annual fee of EUR 35,000. Chair of the Audit Committee will be paid an additional fee of EUR 10,000. Further, the members of the Board will receive a fee for each Board and Committee meeting as follows: EUR 500 for each meeting held in the home country of the respective member, EUR 1,000 for each meeting held elsewhere than in the home country of the respective member and EUR 500 for each meeting attended by telephone or other electronic means.

75% of the annual fee is paid in cash and 25% in Suominen Corporation's shares. Compensation for expenses is paid in accordance with the company's valid travel policy.

The AGM decided that the number of Board members remains unchanged at six (6). Mr. Andreas Ahlström, Mr. Aaron Barsness, Mr. Björn Borgman, Ms. Nina Linander and Ms. Laura Remes were re-elected as members of the Board. Mr. Charles Héaulmé was elected as a new member of the Board. Mr. Charles Héaulmé was elected as the Chair of the Board of Directors.

Ernst & Young Oy, Authorised Public Accountant firm, was re-elected as the auditor of the company for the next term of office in accordance with the Articles of Association. Ernst & Young Oy appointed Mr. Toni

Halonen, Authorised Public Accountant, as the principally responsible auditor of the company.

Suominen published a stock exchange release on April 4, 2024, concerning the resolutions of the Annual General Meeting and the organizing meeting of the Board of Directors.

In compliance with the resolution of the Annual General Meeting, on April 15, 2024, Suominen paid out dividends in total of EUR 5.8 million for 2023, corresponding to EUR 0.10 per share.

Organizing meeting and permanent committees of the Board of Directors

In its organizing meeting held after the AGM, the Board of Directors elected Andreas Ahlström as Deputy Chair of the Board.

The Board of Directors elected from among its members the members for the Audit Committee, Personnel and Remuneration Committee and Strategy Committee. Nina Linander was re-elected as the Chair of the Audit Committee and Andreas Ahlström and Laura Remes were re-elected as members. Charles Héaulmé was elected as the Chair of the Personnel and Remuneration Committee and Björn Borgman and Aaron Barsness were re-elected as members. Laura Remes was re-elected as the Chair of the Strategy Committee and Andreas Ahlström and Aaron Barsness were re-elected as members.

Corporate Governance Statement and Remuneration Report

The Corporate Governance Statement 2024 and Remuneration Report 2024 have been disclosed separately from this Report by the Board of Directors at **www.suominen.fi/investors/corporate-governance**. Both are included also in the company's Annual Report 2024.

Business risks and uncertainties

Manufacturing risks

Suominen has production plants in several European countries, United States and Brazil. Interruptions at the plants caused for example by machinery breakdown can cause production losses and delivery problems. Ongoing maintenance and investments aiming to extend the lifetime of the assets are an essential part of ensuring the operational efficiency of the existing production lines.

Suominen's operations could be disrupted due to abrupt and unforeseen events beyond the company's control, such as power outages or fire and water damage. Suominen may not be able to control such events through predictive actions, which could lead to interruptions in business. Risks of this type are insured in order to guarantee the continuity of operations. As Suominen has valid property damage and business interruption insurances, it is expected that the damage would be compensated, and the financial losses caused by the interruption of business would be covered.

Suominen uses certain technologies in its production. In the management's view, the chosen technologies are competitive and there is no need to make major investments in new technologies. However, it cannot be excluded that the company's technology choices could prove wrong, and the development of new or substitute technologies would then require investments.

Competition

Suominen has numerous regional, national and global competitors in its different product groups. Products based on new technologies and imports from countries of lower production costs may reduce Suominen's competitive edge. If Suominen is not able to compete with an attractive product offering, it may lose some of its market share. Competition may lead to increased pricing pressure on the company's products.

Price and availability of raw materials

Suominen purchases significant amounts of pulp- and oil-based raw materials. Raw materials are the largest cost item for operations. Changes in the global market prices of raw materials can have an impact on the company's profitability. Suominen's stocks equal two to four weeks' consumption and it generally takes two to five months for raw material price changes to be reflected in Suominen's customer pricing either through automatic pricing mechanisms or negotiated price changes.

Extended interruptions in the supply of Suominen's main raw materials could disrupt production and have a negative impact on the Group's overall business operations. As Suominen sources most of its raw materials from a number of major international suppliers, significant interruptions in the production of the majority of Suominen's products are unlikely.

Price and availability of energy

Energy costs represent a significant portion of Suominen's production costs. Suominen consumes mainly electricity and gas. Higher prices as well as reduced availability of energy could have an impact on Suominen's profitability through increased production costs.

Market and customer risks

Suominen's customer base is fairly concentrated, which increases the potential impact of changes in customer specific sales volumes. In 2024, the Group's ten largest customers accounted for 69.4% (69.9%) of the Group's net sales. Long-term contracts are preferred with the largest customers. In practice, the customer relationships are long-term and last for several years. Customer-related credit risks are managed in accordance with a credit policy approved by the Board of Directors. Credit limits are confirmed for customers on the basis of credit ratings and customer history.

The demand for Suominen's products depends on possible changes in consumer preferences. Historically, such changes have had mainly a positive impact on Suominen, as they have resulted in the growing demand for products made of nonwovens. However, certain factors, including consumers' attitude towards the use of products made even partially of oil-based raw materials, or their perception on the sustainability of disposable products in general, might change the consumers' buying habits. Suominen monitors the consumer trends proactively and develops its product offering accordingly. The company has had biodegradable, 100% plant-based nonwovens in its portfolio for over 15 years and hence is well positioned to respond to changes in customer preferences related to sustainability and climate change.

Generally, the demand for nonwovens for wipes has been resilient to changing economic conditions. However, it is conceivable that high consumer price inflation could lead to decline in end consumer demand for wiping products as the consumers' available income effectively decreases.

Regarding the war in Ukraine, the direct impact to Suominen's business is minor as we have no customers nor suppliers in Russia, Belarus or Ukraine. Suominen is mostly affected by the indirect economic impacts of the war.

The instabilities in different parts of the world continue to cause general uncertainty.

Changes in legislation, political environment, or economic conditions

Suominen's business and products can be affected directly or indirectly by political decisions and changes in government regulations for example in areas such as environmental policy or waste legislation. An example of such legislation is the EU's Single-Use Plastics Directive that focuses on reducing marine litter. The potential exists for similar regulations to expand worldwide. This creates demand for more sustainable products, and Suominen is well placed to respond to this increasing demand.

Global political developments could have an adverse effect on Suominen. For instance, a political decision that constrains the global free trade may significantly impact the availability and price of certain raw materials, which would in turn affect Suominen's business and profitability. Suominen's geographical and customer-industry diversity provide partial protection against this risk.

The relevance of the United States in Suominen's business operations increases the significance of the exchange rate risk related to USD in the Group's total foreign exchange position. Suominen manages its foreign exchange position in accordance with its hedging policy.

The risks that are characteristic to South American region, including significant changes in political environment or exchange rates, could have an impact on Suominen's operations in Brazil.

Investments

Suominen continuously invests in its manufacturing facilities. The deployment of the investments may delay from what was planned, the costs of the investments may increase from what has been expected or the investments may create less business benefits than anticipated. The deployment phase of investments may cause temporary interruptions in operations.

Cyber and information security

Suominen's operations are dependent on the integrity, security and stable operation of its information and communication systems and software as well as on the successful management of cyber attack risks. If Suominen's information and communication systems and software were to become unusable or significantly impaired for an extended period of time, or the cyber attack risks are realized, Suominen's reputation as well as ability to deliver products at the appointed time, order raw materials and handle inventory could be adversely impacted.

Financial risks

The Group is exposed to several financial risks, such as foreign exchange, interest rate, counterparty, liquidity and credit risks. The Group's financial risks are managed in line with a policy confirmed by the Board of Directors. The financial risks are described in the Note 3 of the consolidated financial statements.

Suominen is subject to corporate income taxes in numerous jurisdictions. Significant judgment is required to determine the total amount of corporate income tax at Group level. There are many transactions and calculations that leave room for uncertainty as to the final amount of the income tax. Tax risks relate also to changes in tax rates or tax legislation or misinterpretations, and materialization of the risks could result in increased payments or sanctions by the tax authorities, which in turn could lead to financial loss. Deferred tax assets included in the statement of financial position require that the deferred tax assets can be recovered against the future taxable income.

Suominen performs goodwill impairment testing annually. In impairment testing the recoverable amounts are determined as the value in use, which comprises of the discounted projected future cash flows. Actual cash flows can differ from the discounted projected future cash flows. Uncertainties related to the projected future cash flows include, among others, the long economic useful life of the assets and changes in the forecast sales prices of Suominen's products, production costs as well as discount rates used in testing. Due to the uncertainty inherent in the future, it is possible that Suominen's recoverable amounts will be insufficient to cover the carrying amounts of assets, particularly goodwill. If this happens, it will be necessary to recognize an impairment loss, which, when implemented, will weaken the result and equity. Goodwill impairment testing has been described in the consolidated financial statements.

Non-financial risks and their management are described in the CSRD section of this report.

Business environment

Suominen's nonwovens are, for the most part, used in daily consumer goods such as wet wipes as well as in hygiene and medical products. In these target markets of Suominen the general economic situation determines the development of consumer demand even though the demand for consumer goods is not very cyclical in nature. North America and Europe are the largest market areas for Suominen. In addition, the company operates in the South American markets. The growth in the demand for nonwovens has typically exceeded the growth of gross domestic product by a couple of percentage points.

We follow closely market development and signals from our customers, but the overall global economic uncertainty and fierce competition continue to make the longer-term visibility challenging. It remains to be seen how the current economic climate impacts the end consumer demand and consumer preferences regarding wipes. Historically, the wipes market has been rather steady despite the general economic situation.

Instabilities in the Middle East, the war in Ukraine and other geopolitical tensions continue to generate uncertainty globally. Possible impacts to Suominen as a company are expected to be mainly indirect. However, possible effects on raw material and logistic costs would impact Suominen directly. We continue to monitor the situations.

Sustainability statement

Basis for preparation

General basis for preparation

Suominen publishes its sustainability statement as part of its Report by the Board of Directors. This sustainability statement is prepared in accordance with the Finnish Accounting Act, European Sustainability Reporting Standards (ESRS) and EU Taxonomy regulation.

The reporting period for all presented data is one calendar year (January 1–December 31, 2024) as with financial reporting. The statement is compiled for the whole Suominen Group as with financial reporting.

Suominen's sustainability reporting is based on our double materiality assessment. Suominen renewed its materiality assessment during 2023–2024 to comply with the requirements of ESRS. Further information on the double materiality process can be found in *Description of the processes to identify* and *assess material impacts, risks and opportunities*. The sustainability statement is extended to include information on the material impacts, risks and opportunities connected with Suominen's direct and indirect business relationships in the upstream and/or downstream value chain. Upstream and downstream value chain information related to policies, actions and targets has been limited to information available in-house. Apart from scope 3 emissions, upstream and downstream value chain information related to metrics has been omitted.

No classified or sensitive information or information on intellectual property, know-how or results of innovation has been omitted from this report.

Specific circumstances

Disclosure requirements with a reference to the financial statements include the following: E1-5, E1-6 and S1-6. Scope 3 emissions data from the upstream and downstream value chain includes estimated data using indirect sources, such as sector-averages. The assumptions made are described in detail under *Climate change*. The source of uncertainty is the availability of data from our upstream and downstream value chain.

Information subject to phase-in under standards E4 (Biodiversity and ecosystems), S1 (Own workforce), S2 (Workers in the value chain) and S4 (Consumers and end-users) has been omitted in this statement on the basis on Suominen Corporate not exceeding the average number of 750 employees.

For the topic *Own workforce*, we have identified the following material sub-topics for Suominen: working conditions and equal treatment and opportunities for all. Despite the phased-in implementation, we have partially disclosed S1 information under *Own workforce*. Brief description of policies, actions, targets and metrics are reported under *Own workforce*. The following metrics are phased-in and have not been disclosed in this report: adequate wages, non-employees, training hours, work-related ill health, work-life balance and gender pay gap.

Material impacts, risks and opportunities related to Biodiversity and ecosystems, Workers in the value chain and Consumers and end-users are disclosed in *Statement of material impacts, risks and opportunities*. A brief description of the relevant targets, policies, actions and metrics related to Biodiversity and ecosystems, Workers in the value chain as well as Consumers and end-users can be found below.

For the topic *Biodiversity and ecosystems*, we have identified the following material sub-topics for Suominen: direct impact drivers of biodiversity loss and impacts and dependencies on ecosystems services. Biodiversity and ecosystems are heavily connected with our business model, since we are dependent on wood-based materials. Direct impact drivers of biodiversity loss are partially included in our Health & Safety, Environment and Quality (HSEQ) Policy in terms of climate change, resource use and pollution. We have not yet defined any biodiversity and ecosystems related targets, actions or metrics.

For the topic *Workers in the value chain*, we have identified the following material sub-topics for Suominen: working conditions, equal treatment and opportunities for all and other work-related rights. We promote responsible business practices in our supply chain and have a Supplier Code of Conduct in place. Actions taken to identify, monitor and prevent potential adverse impacts in our supply chain include the establishment of a process to assess our raw material suppliers, which is included as a target in our Sustainability Agenda for 2020–2025 as well as for 2025–2030.

For the topic *Consumers and end-users*, we have identified the following material sub-topic for Suominen: personal safety of consumers and end-users. Product quality and safety are the key aspect of our business model and strategy, and they are included in our HSEQ Policy. In line with our HSEQ policy, we take responsibility for the quality and continuous improvement of our work and our products, and we strive to achieve our goal of zero defects. Actions taken to identify, monitor and prevent potential adverse impacts to consumers and end-users include promotion of our Quality Culture, ensuring compliance with laws and regulations, continuous improvement and engagement with suppliers and customers. We have not yet set any measurable time-bound outcome-oriented targets or metrics to reduce our greenhouse gas emissions, which will be set in 2025.

Governance

Governance roles and responsibilities

Suominen's administrative, management and supervisory bodies include our Board of Directors and Executive Management Team. Both the Board and the Executive Management Team have members with long-term experience and expertise in the nonwoven or fiber-based product industry and of operating in Suominen's target markets. The extensive experience of our Board and Executive Management Team members offer also insight into many sustainability-related topics such as the identified material impacts, risks and opportunities. The Executive Management Team's experience of the nonwoven industry is also valuable for integrating sustainability into Suominen's operations throughout the organization.

The management of impacts, risks and opportunities are integrated with our internal processes related to strategy, compliance, reporting and data management. Our strategy is under the responsibility of the Board and the Executive Management Team, and it is closely connected with our ambition of minimizing our environmental impacts, mitigating financial risks and pursuing the financial opportunities related to sustainable nonwovens and business practices. Topics related to our material impacts, risks and opportunities, strategy and target progression are presented to the Board or the Executive Management Team regularly. The Board and the Executive Management Team both have responsibility related to the oversight of impacts, risks and opportunities and related issues.

Board of Directors

The highest decision-making body in sustainability and climate-related matters, covering also risks and opportunities, is the Board of Directors. The Board is responsible for the administration and proper organization of Suominen's operations and for making decisions on matters that are likely to have a major impact on the Company. The Board had six members at the end of 2024, 83% of which are independent from Suominen. There are no executive members or representation of employees and other workers in the Board. The Board's gender diversity was 33% in 2024. The gender diversity was calculated as an average ratio of female to male board member.

The Board approves Suominen's Sustainability Agenda, including sustainability-related targets and policies. Progress in sustainability targets is reported to the Board regularly. Progress reports are presented by the President & CEO or the Chief Financial Officer (CFO). The Board regularly reviews and approves the key company policies related to Business Conduct.

In addition, sustainability is discussed in the Audit Committee quarterly and the Audit Committee receives progress reports on sustainability reporting. The Chair and members of the Audit Committee are elected annually by the Board from among its members. The Committee comprises of at least three members. The members of the Audit Committee must be independent of the Company, and at least one member must also be independent of the Company's significant shareholders. The Audit Committee reports on its actions to the Board of Directors.

The Audit Committee reviewed Suominen's double materiality assessment and the list of material impacts, risks and opportunities in May 2024. The approved impacts, risks and opportunities cover all the material impacts, risks and opportunities identified in the double materiality assessment and presented in this report. The Audit Committee also assists the Board in supervising the company's corporate governance and legal and compliance related matters. All reports made through the SpeakUp Line are reported to the Audit Committee.

The expertise of the Board of Directors is ensured in the recruitment process. When assessing the composition of the Board, the Shareholders' Nomination Board considers, among other things, whether the Board possesses a broad range of business knowledge. If additional expertise is required, internal or external experts are brought in.

To ensure sufficient sustainability-related expertise, the Audit Committee monitors the company's reporting capabilities, competence and resources, and reports to the Board of Directors. Matter specialists are invited to participate in discussions if required. The Board of Directors may then instruct the CEO to take necessary actions to improve reporting capabilities.

Executive Management Team

The Executive Management Team (EMT) consisted of four members at the end of 2024, chaired by the CEO. The Executive Management Team member diversity metrics are disclosed in *Own workforce*. The Sustainability Agenda, related targets and supporting policies and processes, are owned by the Executive Management Team. The Executive Management Team is responsible for the Sustainability Agenda. Sustainability & Marketing function, which currently operates under the CFO, has responsibility for implementing and reporting the Sustainability Agenda. Suominen's operations and support functions are responsible for implementing the Group level sustainability initiatives to meet the targets. The CFO is responsible for sustainability reporting as well as the Group's Enterprise Risk Management process, which includes sustainability-related risks.

The Group's Enterprise Risk Management process is conducted on an annual basis. The work is led by the CFO, however, involving all EMT members as well as key business units and functions. In addition, key members of the EMT were involved in the double materiality process to identify and rate impacts, risks, and opportunities. The overall results were validated by the whole EMT. Sustainability is on the agenda of the Executive Management Team on a regular basis, which enables effective management of sustainability. Subject matter experts are invited to participate in discussions if required. The President & CEO has ultimate responsibility for sustainability and reporting to the Board.

The CFO, supported by the General Counsel, is responsible for Legal & Compliance. The CFO reports to the CEO and updates the CEO and the Executive Management Team on legal and compliance related topics on a regular basis as well as brings issues to light when necessary. The CFO and the General Counsel give updates to the Audit Committee quarterly and to the Board of Directors as needed on legal and compliance related matters. The Executive Management Team participates in internal trainings on legal and compliance related topics.

Integration of sustainability-related performance in incentive schemes

Suominen has both short- and long-term performance-based incentives for which the Board annually selects appropriate performance metrics that steer towards the implementation of Suominen's strategy and achievement of sustainability and financial results. Members of the Board are not employees of Suominen and do not participate in any Suominen incentive scheme or pension arrangement. Pay-for-performance philosophy is widely followed at Suominen, and many of the performance metrics in the CEO's incentive plans are concurrently used in employees' incentive plans. However, a more significant portion of the CEO's total compensation is tied to performance-based incentives, as the Company aims to ensure a strong link between executive remuneration and the financial performance of the company.

Raw material efficiency is considered as a performance benchmark and is included in Suominen's remuneration policies. In 2024, we included raw material efficiency (RME) both in the short- and long-term incentive plans of managerial positions. The proportion of variable remuneration dependent on the RME is 10% for the short-term and 20% for the long-term incentive plans.

Suominen has not integrated climate change related performance, such as GHG emission reductions, in its incentive schemes.

Statement on due diligence

We have partially adopted due diligence processes in our operations. The main aspects are related to a number of cross-cutting and topical disclosures. Below is presented a mapping of the core elements of due diligence in this sustainability statement.

Core elements of due diligence	Pages
Embedding due diligence in governance, strategy and business model	63, 101–105
Engaging with affected stakeholders in all key steps of the due diligence	65, 95–96, 102–104
Identifying and assessing adverse impacts	64–68, 94, 103–105
Taking actions to address those adverse impacts	96–99, 103–105
Tracking the effectiveness of these efforts and communicating	96–99, 101–105

Risk management and internal controls over sustainability reporting

Suominen does not have a separate risk management process for sustainability reporting. However, Suominen identifies and mitigates risks throughout the year to ensure completeness and conformity of data and efficiency of the reporting process. Identified risks related to sustainability reporting are incorporated into relevant internal functions and processes where appropriate, such as policies, principles, risk management and internal controls. Significant findings are reported to the CFO, who then reports the findings to the EMT if necessary.

Increasing reporting requirements from legislation has been recognized as a risk, which is regularly followed, and the requirements are being implemented in various functions at Suominen. Conformity of data has also been recognized as a risk, since data is collected on site-level. To mitigate this risk, site-specific data needed for sustainability reporting is collected on site level and consolidated by Suominen group sustainability function. The conformity and completeness of the data is reviewed by the group sustainability function. The data collection process is designed to be uniform to ensure all data from different sites is collected in the same format and level of detail. Sustainability data management will be improved by introducing new software in 2025 to support data collection.

Strategy

General strategy

The cornerstones of our strategy are sustainability and innovations, and we continuously develop our offerings and operations accordingly. Suominen's overall sustainability-related goal and vision is to be the frontrunner in nonwovens innovation and sustainability and to grow and improve profitability through sustainability, customer focus and efficiency. We pursue growth by creating innovative and more sustainable nonwovens for our customers and improve our profitability through more efficient operations and a high-performance culture. Our goal is also to use resources efficiently and to operate with the smallest possible impacts on the environment. Our sustainability goals impact our product portfolio and operations globally and are related to all our significant markets and customer groups. The main challenge for implementing our strategy could be if the expectations and interests of our stakeholders, such as customers, investors or consumers, shift away from sustainability. Other challenges might be high raw material costs, or if new legislation that does not support our ambitions in sustainability, is introduced.

Suominen's Sustainability Agenda defines and highlights our sustainability themes and targets. The Agenda is approved by the Board of Directors, and its progress in different areas is regularly monitored. The Board approved the Sustainability Agenda 2025–2030 in 2025. Metrics for the new Agenda have been defined and the implementation plan will be created in 2025. The Sustainability Agenda for 2025–2030 will have the same four themes as in the previous agenda which are People and safety, Sustainable nonwovens, Low impact manufacturing and Corporate citizenship. We have set outcome-oriented targets related to these sustainability themes, except for targets to reduce our greenhouse gas emissions, which will be set in 2025. The targets are described in detail respectively under the topic-specific ESRS disclosures.

Business model and value chain

Suominen manufactures nonwovens as roll goods for wipes and other applications. Our vision is to be the frontrunner for nonwovens innovation and sustainability. Suominen creates value by taking fiber raw materials and turning them into nonwovens that our customers convert into both consumer and professional end products. The end products made of Suominen's nonwovens are present in people's daily life worldwide. There have been no significant changes in our product offering since the last reporting period.

In accordance with our value creation model, our inputs can be divided into financial resources, natural resources, intellectual capabilities, social relationships and manufacturing resources. Our approach to gathering, developing and securing these inputs relates to our vision to be the frontrunner in nonwovens innovation and sustainability and a trustworthy partner. We also aim to minimize availability issues by being close to our key customers and by sourcing most of our raw materials from a number of major international suppliers. Our outputs include products and solutions, waste, emissions and water. Suominen's nonwovens create value for our customers and end-users by offering safe and high-quality wiping, medical and hygiene products and diverse sustainable alternatives, including biodegradable, compostable and plastic-free products and products manufactured using recycled materials.

Our position in our value chain is in between raw material suppliers and our customers, who convert our products into their end-products. Our main actors in our upstream value chain include our suppliers. The majority of our raw material suppliers provide fossil- and/or plant-based raw materials for production. Our main actors in our downstream value chain include transportation companies, our customers, product end-users and waste operators.

Suominen has two main market areas, Europe and the Americas, and a total of over 700 employees. Number of employees by geographical area is reported under *Own workforce*.

Stakeholder engagement

Suominen's stakeholders are entities or individuals that have an impact on or are impacted by our business. Our stakeholder groups differ greatly, and thus the focus areas and the channels of communication vary according to each groups' interests and needs. The purpose of the stakeholder engagement is to provide important insights into the expectations and concerns our stakeholders have and help us to identify the opportunities and risks in our operating environment. We want to engage in open and continuous dialogue with our stakeholders and strive for transparent communication through various channels. Continuous interaction with our stakeholders is also a key aspect in Suominen's approach to sustainability. The views and interests of stakeholders regarding material sustainability related impacts are presented to management and the Board of Directors to serve as a basis for decision-making.

Stakeholder groups and their expectations, along with the engagement channels in use and the effect on Suominen's strategy and business models are presented in the table below.

Stakeholder group	Expectations and interests	Meeting stakeholder expectations / Outcome of engagement	Engagement types/channels
Employees	- Safe working environment - Compensation and benefits - Development opportunities - Equal treatment - Well-being and positive workplace culture	- Strong safety culture, including Behavior Based Safety program, Life Saving Rules, and the ISO 45001 standard certifications - Fair and equal compensation and benefits - Performance Development Process including individual competence development plans - Recruitment policy, HR principles - Open communication - Code of Conduct	- Daily interaction - Global intranet and internal newsletter - Global employee engagement survey and local pulse surveys - Performance development discussions - Stakeholder survey - Trainings and e-Learning platform
Suppliers	- Long-term partnership - Open communication and cooperation - Payment for materials and services	- Continuous cooperation - Smooth and efficient raw material quality assurance process - Supplier Code of Conduct - General Terms and Conditions of Purchase	- Meetings and other direct contacts - Requests for tender and contracts - Stakeholder survey
Customers	- Product quality and safety - Innovation and product development - Reducing environmental impact - Responsible fiber sourcing - Value for the customer - Long-term partnership - Cost-competitiveness	- Quality and safety assurance through audits and certifications - Sustainable product portfolio and product development with customers - Low impact manufacturing including resource efficiency targets - Development of expertise - Continuous cooperation and on-site visits - Participation in exhibitions and trade fairs - Code of Conduct	- Meetings and other direct contacts - Exhibitions and other industry events and industry media - External communication, e.g., customer newsletter - Audits and certificates - Customer and stakeholder surveys - Customer service - Requests for tender and contracts
Investors, shareholders, analysts	- Market value and dividends - Sustainable growth - Accurate, consistent, and reliable information - Risk assessment and management - Innovation and product development - Sustainability	- Communication in accordance with Finnish legislation, EU directives, stock exchange rules and other regulations - Implementation of our strategy aiming for growth and profitability - Implementation of our Sustainability Agenda - Transparent reporting, sustainability reporting in accordance with CSRD - Code of Conduct	- General Meetings of shareholders - Quarterly and annual reporting - Stock exchange and press releases - Shareholder and analyst events - Website and other digital channels - Stakeholder survey
Political decision-makers, public authorities, NGO	- Regulatory compliance - Responsible supply chain - Responsible operations	- Compliance with laws and regulations - Whistleblowing channel - Sustainability reporting in accordance with CSRD - Code of Conduct	- Reporting and other external communication - Direct contacts - Stakeholder survey
Society and local communities	- Jobs and fair employment practices - Responsible and sustainable production - Regulatory compliance - Tax contribution	- Employment and fair compensation - Recruitment policy and HR principles - Low impact manufacturing including resource efficiency targets - Good corporate citizenship - Tax contribution - Code of Conduct	- Media - Reporting and other external communication - Stakeholder survey

Statement of material impacts, risks and opportunities

Suominen has identified material impacts, risks and opportunities related to the following sustainability topics: climate change, pollution, water, biodiversity and ecosystems, resource use and circular economy, own workforce, workers in the value chain, consumers and end-users and business conduct. All identified material impacts, risks and opportunities are covered by ESRS Disclosure Requirements, and no additional entity-specific sustainability matters were identified to be material. As an entity-specific disclosure, we have disclosed our Business conduct-related targets.

Suominen has identified material negative actual or potential impacts related to the environment and people. Our most severe negative impacts are related to our emissions, water consumption, resource use intensity, single-use nature of the end-products made from our products, our contribution to drivers of biodiversity loss, and potential microplastic pollution from disposal of our plastic-based products. We also identified significant positive impacts that our operations have on the environment and people. Most of these positive impacts are related to the sustainability of our product portfolio and our existing policies and processes.

Our most significant financial risks related to sustainability issues originate from the changing regulatory landscape and the increasing expectations of our customers and investors. Since sustainability is a cornerstone of Suominen's strategy, we also identified significant opportunities that the sustainability transition can offer us.

No material risks or opportunities were identified for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

The impacts, risks and opportunities assessed to be material for Suominen are presented under the topic-specific ESRS disclosures. Impacts, risks and opportunities related to Biodiversity and ecosystems, Workers in the value chain and Consumers and end-users, which are subject to phase-in and do not have topic-specific chapters, are presented in the table below.

Phased-in impacts, risks and opportunities

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Biodiversity and ecosystems	- Dependency on plant-based raw materials - Some materials sourced from high-risk countries - Contribution to climate change, natural resource use, and indirectly land-use change and deforestation - Moving away from fossil-based raw materials to plant-based raw materials	- Products made of responsibly sourced raw materials in portfolio - Use of FSC®-, PEFC- and SFI® certified materials	- Reputational risks - Increasing expectations in the value chain - Dependency on plant-based raw materials - Future legislation related to plant-based raw materials	
Workers in the value chain	- Possible violations of legislation and Supplier Code of Conduct in the supply chain	- Mandatory Supplier Code of Conduct in place promoting good practices - EcoVadis rating system in place		- Employee and contractor safety increasing profitability and good reputation
Consumers and end-users	- Possible safety shortcomings of medical and hygiene products	- Safety of medical and hygiene product	- Product quality and safety problems - Reputational risks	- Product quality and safety as a selling point

Changes to material impacts, risks and opportunities

Suominen conducted its first double materiality assessment in 2024. Our previous materiality assessment was conducted in 2019. The scope of the 2019 materiality assessment was different from the double materiality assessment and the results are not directly comparable.

Statement of interaction with strategy and business model

We expect sustainability transition and our material impacts, risks and opportunities to have a significant effect on our business model, value chain, strategy and decision making. Our strategy is closely connected with our ambition of minimizing our environmental impacts, mitigating financial risks and pursuing the financial opportunities related to sustainable nonwovens and business practices. As a response to the effect that these material impacts, risks and opportunities can have on Suominen and our value chain, we began the work to update our Sustainability Agenda in 2024.

Value chain mapping was carried out in 2024, and we will continue analyzing the results and utilizing them in our raw material sourcing practices and renewing the sustainability due diligence process further in 2025.

More detailed information regarding the interaction of material impacts, risks and opportunities with our strategy and business model, and where in our value chain they are concentrated, is presented under the topic-specific ESRS disclosures. Brief description of the interaction of material impacts, risks and opportunities with our strategy and business related to Biodiversity and ecosystems, Workers in the value chain and Consumers and end-users, which are subject to phase-in and do not have topic-specific chapters, is disclosed under *Basis for preparation*.

Resilience analysis

The resilience of our strategy and business model in relation to our impacts, risks and opportunities will be assessed with a resilience analysis in 2025.

Impacts, risks and opportunities

Description of the processes to identify and assess material impacts, risks and opportunities

General process

The process of identifying and assessing material impacts, risks and opportunities through a double materiality assessment followed the requirements of the European Sustainability Reporting Standards. The double materiality assessment was carried out in the beginning of 2024 with an external partner. The scope of the double materiality assessment included all Suominen's operations and geographies and our key business relationships within our value chain. Below is a detailed description of how material impacts, risks and opportunities for Suominen were identified and assessed.

Stakeholder engagement

The key first step of the double materiality assessment process was to identify our affected stakeholders and users of Suominen's sustainability statements to gain understanding of their views on Suominen's impacts, risks and opportunities. The identification process included mapping of our value chain, which provided valuable information on our key stakeholders in both upstream and downstream of our value chain. The following stakeholder groups were identified as key stakeholders to be engaged during the process: our own employees and management team, our customers, end-users of our products, shareholders and suppliers.

The engagement methods included an online survey sent to our own employees and selected customers and suppliers, a management team workshop, and interviews with a customer, a shareholder and two suppliers. End-users of our products could not be directly reached during the engagement, but the impacts affecting them were discussed internally and with our customers.

Impact, risk and opportunity identification

Utilizing our subject matter experts and the views of our key stakeholders, a list of potential material impacts, risks and opportunities was drafted. The list of sustainability matters in ESRS 1 was used to ensure that all key sustainability matters were included in the assessment. No sector specific sustainability matters were identified. The list included actual and potential positive and negative impacts which we are involved through our own activities or because of our business relationships. Financial risks and opportunities were identified in connection with impacts, dependencies and other external drivers.

Impact, risk and opportunity prioritization and materiality scoring

After potentially material impacts, risks and opportunities were identified, they were prioritized to assess the preliminary materiality of different sustainability matters. The prioritization was based on the stakeholder engagement and our own views on materiality. The final materiality was assessed by carrying out materiality scoring. The materiality of negative impacts was assessed based on their severity (considering scope, scale and irremediability) and of positive impacts based on their scope and scale. For potential impacts, the likelihood was also assessed. The materiality of risks and opportunities was assessed based on their magnitude and likelihood.

The scale, scope, irremediability, likelihood and magnitude were assessed on a 1 to 5 qualitative scale, which were then used to calculate the overall materiality score for each impact, risk and opportunity. The magnitude and likelihood criteria were based on our existing Enterprise Risk Management processes and thresholds. The scale, scope and irremediability criteria were developed for the purpose of the double materiality assessment. The materiality of sustainability topics and sub-topics were determined by the highest score within that topic or sub-topic. This approach was chosen to ensure that no topics or sub-topics with material impacts, risks or opportunities were considered as immaterial. The important, significant and critical materiality levels were deemed as material, while the informative and minimal materiality levels were considered as immaterial. The double materiality assessment results were reviewed by the Audit Committee and validated by the whole Executive Management Team.

The sustainability-related risks in connection with the double materiality assessment have been partially integrated with Suominen's overall Enterprise Risk Management processes. The double materiality process focused solely on risks related to sustainability matters. The process to identify, assess and manage opportunities is directly linked to our strategy development and decision making.

Topic-specific processes

Identifying and assessing material impacts, risks, and opportunities related to climate change

To identify all impacts, risks and opportunities related to climate change, Suominen's business activities and the upstream and downstream value chains were analyzed. Suominen's climate-related impacts were assessed on the basis of the results of the 2022 greenhouse gas emissions calculations. Climate related physical and transition risks in Suominen's value chain were preliminary screened and analyzed during the double materiality assessment based on our expertise and the knowledge of our stakeholders. A more detailed climate risk assessment including a scenario analysis will be conducted in conjunction with the resilience analysis for climate change in 2025.

Identifying and assessing material impacts, risks, and opportunities related to pollution

To identify all impacts, risks and opportunities related to pollution, Suominen's business activities and the upstream and downstream value chains were screened and analyzed. Impacts, risks and opportunities were identified based on our expertise and the knowledge of our stakeholders. No consultations with affected communities were carried out.

Identifying and assessing material impacts, risks, and opportunities related to water and marine resources

To identify all impacts, risks and opportunities related to water and marine resources, Suominen's business activities and the upstream and downstream value chains were analyzed. Impacts, risks and opportunities were identified based on our expertise and the knowledge of our stakeholders.

Suominen has evaluated the scarcity of water at our sites by using the World Resources Institute's Water Risk

Atlas. One of our production sites is in a high-risk area where water can be considered a scarce resource. No consultations with affected communities were carried out.

Identifying and assessing material impacts, risks, and opportunities related to biodiversity and ecosystems

To identify all impacts, risks and opportunities related to biodiversity and ecosystems, Suominen's business activities and the upstream and downstream value chains were analyzed. While fossil-based fiber supply chains were also identified to have biodiversity impacts, due to the nature of wood-based raw materials, a special focus was given to our wood-based fiber supply chains when assessing biodiversity-related impacts. We assessed the origin of our wood-based materials and identified high-risk countries. Impacts, risks and opportunities were identified on the basis of our expertise and the knowledge of our stakeholders. Risk identification included assessment of our dependencies on biodiversity and ecosystems and their services. The double materiality assessment did not include a separate assessment of transition, physical or systemic risks. No consultations with affected communities were carried out.

We screened our sites for biodiversity-sensitive areas using the Integrated Biodiversity Assessment Tool (IBAT) data map in 2024. None of our sites are located in or near a biodiversity-sensitive area. Therefore, we have concluded that it is not currently necessary to implement biodiversity mitigation measures at our sites.

Identifying and assessing material impacts, risks, and opportunities related to resource use and circular economy

To identify all impacts, risks and opportunities related to resource use and circular economy, Suominen's business activities and the upstream and downstream value chains were screened and analyzed. The screening was conducted qualitatively using information of our inputs and outputs, including the geographical source of procured raw materials, and views of our stakeholders. Impacts, risks and opportunities were identified based on the screening and Suominen's expertise. No consultations with affected communities were carried out.

Identifying and assessing material impacts, risks, and opportunities related to business conduct

To identify all impacts, risks and opportunities related to business conduct, Suominen's business activities and the upstream and downstream value chains were screened and analyzed. Impacts, risks and opportunities were identified on the basis of our expertise and the views of our stakeholders. The scope of the analysis included all our geographical locations and activities, including our relationships with our key stakeholders, such as suppliers, customers and shareholders.

Results of the double materiality assessment

ESRS	Sustainability topics	Impact materiality level	Financial materiality level
Material topics			
E1	Climate change	Critical	Critical
E2	Pollution	Critical	Important
E3	Water and marine resources	Critical	Important
E4	Biodiversity and ecosystems	Critical	Significant
E5	Resource use and circular economy	Critical	Critical
S1	Own workforce	Significant	Critical
S2	Workers in the value chain	Significant	Important
S4	Consumers and end-users	Critical	Critical
G1	Business conduct	Significant	Significant
Immaterial topic			
S3	Affected communities	Informative	Minimal

The material topics will be reviewed annually to assess their topicality and validity. The double materiality assessment will be conducted according to the significance of changes in the organization or in the value chain (such as changes in geographies, operations, resources, products and/or any other changes affecting our material impacts, risks or opportunities).

Immaterial sustainability topics

The sustainability topic Affected communities was assessed to be immaterial for us. Potential negative and positive impacts and financial risks related to raw material sourcing and its effects on local communities in our value chain were identified during the double materiality assessment. However, since we have sustainable supply chain practices (described in *Business conduct*) in place, these impacts and risks were not assessed to be material, and the likelihood of the potential negative impacts and related financial risks was assessed to be very unlikely. We continue to monitor our impacts on affected communities by including the topic in future revisions of the double materiality assessment.

Determining disclosures

The material information to be disclosed was determined based on the material impacts, risks and opportunities identified and assessed during the double materiality assessment. When determining disclosing information on metrics, the materiality of related impacts, risks and opportunities was reviewed. Based on their materiality, the materiality of Disclosure Requirements (DR) and further Data Points (DP) were assessed. If the DR and DP were assessed to be material, the information was disclosed. The disclosure determination process followed the workflow presented in ESRS 1 Appendix E. *Content index of disclosure requirements* as well as *Table of all the datapoints deriving from other EU legislation* can be found at the end of this Sustainability statement.

Suominen's EU taxonomy report

The EU sustainable finance taxonomy is a classification system that provides a common understanding of economic activities that make a substantial contribution to the EU's environmental goals by providing consistent and objective criteria. In the first phase, criteria have been set for the sectors that are the most relevant for achieving climate neutrality and delivering on the climate change adaptation. This includes sectors such as energy, forestry, manufacturing, transportation and construction.

In 2024, non-financial companies were required to disclose the proportion of taxonomy-aligned, taxonomy-eligible and taxonomy-non-eligible economic activities of their total net sales, capital expenditure (CapEx) and operational expenditure (OpEx) for all six environmental objectives. In 2024, 100% of Suominen's net sales were non-eligible, of CapEx 5.3% was taxonomy-eligible and none taxonomy-aligned and of OpEx 12.3% was taxonomy-eligible and none taxonomy-aligned. The 100% of CapEx and majority of the Suominen's reported eligible OpEx (>98%) in 2024 were related to Climate Change Mitigation objective. A small fraction (<2% in total) of the eligible OpEx were related to Protection and Restoration of Biodiversity and Ecosystems, Pollution Prevention and Control as well as Sustainable Use and Protection of Water and Marine Resources.

In 2024, the technical screening criteria were not completely fulfilled for any of the identified eligible activities and therefore none of the activities were reported to be aligned. One major cause for non-alignment is the climate risk assessment, which has not been carried out systematically for all operations. Climate resilience analysis, is planned to be carried out during 2025 for Suominen sites, will include climate risk assessment for each site.

Suominen's sole business is the manufacturing and sale of nonwovens for which no technical screening criteria have been defined in the EU taxonomy so far. Hence no proportion of Suominen's net sales is taxonomy-eligible. Similarly, as Suominen's capital expenditure and operations are mostly related to nonwovens production activities, the majority of Suominen's CapEx and OpEx is not taxonomy-eligible.

At Suominen we believe that our ambitious targets to reduce our greenhouse gas emissions and continuous work to improve emissions calculations to cover the whole value chain, our comprehensive sustainable product offering and our continuous work to explore new innovative fibers to be able to offer even more sustainable and low-carbon nonwoven products represents our contribution to climate change mitigation and adaptation. We are continuously striving in product development to improve our operations in a way that also supports the achievement of our environmental goals.

Suominen's taxonomy-eligible activities are mainly capital expenditure or maintenance expenditure related to energy efficiency of the buildings (activities 7.2, 7.3, 7,5, 7.6 and 9.3), maintenance and leasing of electric cars and forklifts (activities 3.3, 3.6 and 6.5), as well as close to market research and development (9.1) activities.

In addition, the following activities related to production were evaluated to be EU taxonomy-eligible even though the manufacture of non-wovens is not:

- Investments and maintenance expenses related to wastewater collection and treatment (activities 5.3. and 5.4.) as well as freshwater collection and supply (activities 5.1. and 5.2.). The investments and maintenance expenses of water supply and wastewater treatment were evaluated to fall in the description of listed activities and support the sustainability goals and therefore to be taxonomy-eligible. In addition, some maintenance costs related to leakage control equipment have been reported under activity 1.1. Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems.
- Share of non-hazardous waste expenditures prior to transportation, recycling or reuse (activities 5.5 and 5.9). The OpEx allocated to these activities includes only the waste treatment or transportation cost which support recyclability of the materials and the goals set in the EU Taxonomy regulation. In addition, treatment and transportation costs related to hazardous waste, which fulfils the description in activities 2.1. Collection and transport of hazardous waste and 2.2. Treatment of hazardous waste are reported as taxonomy-eligible costs.

Suominen has reviewed its total CapEx and OpEx and allocated them to taxonomy-eligible and taxonomy-non-eligible activities. The allocation of CapEx and OpEx to taxonomy-eligible and taxonomy-non-eligible activities is made based on the taxonomy-eligible activities described in the Climate Delegated Act 2021/2139 and its Annexes as well as the amendments given in the regulation (EU) 2023/2485. The assessment of whether a taxonomy-eligible activity is also a taxonomy-aligned activity is based on the technical screening criteria as stated in the Annexes of the Climate Delegated Act 2021/2139 as well as on the compliance criteria set out in Regulation (EU) 2020/852 Article 3. Each taxonomy-eligible economic activity has been evaluated for alignment using the relevant criteria, and in the case of non-compliance, the activity has not been categorized as taxonomy-aligned.

Each Suominen site is responsible for completing the valuation of eligibility and alignment of its own activities. Suominen has a web-based tool to support in the valuation process. Group functions are responsible for providing common working guidelines and definitions. Valuations of activities and figures in the taxonomy report are validated at Group level.

Regarding minimum social safeguards, Suominen respects and supports the OECD Guidelines for Multinational Enterprises, United Nations (UN) Guiding principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on the Fundamental Principles and Rights at Work. Suominen has assessed compliance with the safeguards also through ensuring the existence of processes covering human rights, corruption, taxation, and fair competition and addressing cases of violations if any arise.

Total CapEx has been calculated as defined in Annex I of Commission Delegated Regulation (EU) 2021/2178 (KPIs of Non-financial Undertakings), and it includes additions to property, plant and equipment (as defined in IAS 16), intangible assets (as defined in IAS 38) and in right-of-use assets (as defined in IFRS 16).

Total CapEx, EUR thousand	**2024**	**2023**	
Increases in property, plant and equipment	15,895	11,054	
Increases in intangible assets	109	169	Not internally generated
Increases in right-of use assets	2,580	2,410	
Total	18,584	13,633	

The numerator used in calculation of the proportion of taxonomy-aligned CapEx is defined as CapEx related to assets or processes that are associated with taxonomy-aligned economic activities or related to the purchase of output from taxonomy-aligned economic activities as well as to individual measures enabling the activities to become low-carbon or to lead to greenhouse gas reductions.

Total OpEx has been calculated as defined in Annex I of Commission Delegated Regulation (EU) 2021/2178 (KPIs of Non-financial Undertakings), and it includes direct non-capitalized costs, that relate to research and development activities, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by Suominen or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of our assets.

The numerator used in calculation of the proportion of taxonomy-aligned OpEx is defined as expenditure, including direct research and development expenses, related to assets or processes associated with taxonomy-aligned economic activities. In addition, expenditure related to the purchase of output from taxonomy-aligned economic activities and to individual measures, which enable the activities to become low-carbon or to lead to greenhouse gas reductions, is included in taxonomy-eligible and taxonomy-aligned OpEx.

The operational expenditure was EUR 30,280 thousand in 2024 (27,595).

To ensure that CapEx and OpEx are included only in one economic activity (to avoid double counting), the total of allocated expenditure is reconciled with the total unallocated expenditure.

Turnover

Financial year 2024	Year			Substantial Contribution Criteria						DNSH Criteria (do no significant harm)									
Economic activities	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		EUR thousand	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																	0%		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover Environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0%	0%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0%	0%	0%	0%	0%	0%	0%										
B. Taxonomy-Non-Eligible Activities																			
Turnover of Taxonomy non-eligible activities		462,318	100%																
Total		**462,318**	**100%**																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capital expenditure

Financial year 2024	Year			Substantial Contribution Criteria						DNSH Criteria (do no significant harm)									
Economic activities	Code(s)	CapEx	Proportion of CapEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, 2023	Category enabling activity	Category transitional activity
		EUR thousand	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx Environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0%																T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	CCM 7.2.	320	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8%		
Close to market research, development and innovation	CCM 9.1.	36	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	377	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Transport by motorbikes, passenger cars and commercial vehicles	CCM 6.5.	120	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of other low carbon technologies	CCM 3.6.	61	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Renewal of water collection, treatment and supply systems	CCM 5.2.	24	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	41	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		979	5%	5%	0%	0%	0%	0%	0%								12%		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		979	5%	5%	0%	0%	0%	0%	0%										
B. Taxonomy-Non-Eligible Activities																			
CapEx of Taxonomy-non eligible activities		17,605	95%																
Total		**18,584**	**100%**																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	5%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Operational expenditure

Financial year 2024	Year			Substantial Contribution Criteria						DNSH Criteria (do no significant harm)									
Economic activities	Code(s)	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, 2023	Category (enabling activity)	Category (transitional activity)
		EUR thousand	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-Eligible Activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx Environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%									E	
Of which transitional		0	0%	0%															T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Renovation of existing buildings	CCM 7.2.	401	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Manufacture of low carbon technologies for transport	CCM 3.3.	417	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Close to market research, development and innovation	CCM 9.1.	1,877	6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	59	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5.	85	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Hotels, holidays, camping grounds and similar accommodation	BIO 2.1.	22	0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0%		
Collection and transport of hazardous waste	PPC 2.1.	3	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Renewal of wastewater collection and treatment	CCM 5.4.	498	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Professional services related to energy performance of buildings	CCM 9.3.	7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5.	30	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1.	23	0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%		
Material recovery from non-hazardous waste	CCM 5.9.	262	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renewal of water collection, treatment and supply systems	CCM 5.2.	36	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Treatment of hazardous waste	PPC 2.4.	1	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
OpEx Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,722	12%	12%	0%	0%	0%	0%	0%								14%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		3,722	12%	12%	0%	0%	0%	0%	0%										
B. Taxonomy-Non-Eligible Activities																			
OpEx of Taxonomy-non eligible activities		26,558	88%																
Total		**30,280**	**100%**																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	12%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Climate change

Our material impacts, risks and opportunities related to climate change

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Climate change	- Scope 1, 2 & 3 greenhouse gas emissions - High energy and fuel consumption in operations - Majority of purchased electricity from non-renewable sources	- Sustainable products in portfolio - Raising awareness in our value chain - Solar panels at Alicante site generating renewable energy	- Increasing regulatory requirements - Increasing expectations in value chain - Investments in production lines and supply chains - Supply chain disruptions due to extreme weather events - Sites impacted by extreme weather events - Increasing energy prices	- Increasing demand in products with low carbon footprint - Increasing funding and support for sustainable products - Access to inexpensive fossil-free energy - Increasing energy efficiency - Nearshoring and reshoring as an adaptation measure

Interaction with strategy and business model

The cornerstones of our strategy are sustainability and innovations, and we continuously develop our offerings and operations accordingly. Sustainability is important also to our customers and other stakeholders, as the markets are rapidly shifting towards more sustainable alternatives. Suominen is committed to reducing the greenhouse gases emitted due to our operations by improving energy efficiency and finding alternative low-carbon energy sources. We are promoting the development of sustainable products by calculating the carbon footprint of our products and developing solutions with a smaller climate impact.

Material climate-related negative impacts from Suominen's own activities include Scope 1 and 2 emissions, energy and fuel consumption and the current energy mix. Comparably, material positive impacts include sustainable products in Suominen's portfolio and solar panels at Alicante site in Spain. Material impacts Suominen is involved with through business relationships include the negative impact of Scope 3 emissions from our upstream and downstream value chain and the positive impact of raising climate awareness.

Greenhouse gas emissions contribute to global warming, which negatively affect people and the environment in a variety of ways. Our energy use contribute to our greenhouse gas emissions. Our positive impacts, such as sustainable products and solar panels mitigate these negative impacts and climate change. We can also influence stakeholders and contribute to climate change mitigation by raising awareness in our value chain. All our material impacts can materialize within a short time horizon.

Material climate-related risks from Suominen's own activities include sustainability related investment needs and our sites affected by extreme weather events. Risks Suominen is involved with through business relationships in the upstream value chain include increasing regulatory requirements, increasing energy prices and supply chain disruptions due to extreme weather events. Risks in the downstream value chain include increasing expectations of sustainability, particularly through our customers and investors.

Our efforts towards a more sustainable portfolio and climate change mitigation can offer financial opportunities for Suominen. Opportunities arise in our upstream value chain, through increasing funding and access to clean energy, or in our downstream value chain, through increasing demand in low carbon footprint products from our customers. We can create opportunities also through our own activities by increasing the energy efficiency of our operations.

One of the four themes of our Sustainability Agenda for 2020–2025 as well as for 2025–2030, low impact manufacturing, considers the impact we have on climate. We continuously strive to decrease environmental impacts of our operations, and in 2025, we will set a target related to our greenhouse gas emissions in line with limiting global warming to 1.5°C.

Climate-related risks and resilience

Climate-related risks identified in the double materiality assessment include both transition and physical risks. Transition risks include increasing regulatory requirements, increasing customer expectations, new investment needs and increasing energy prices. Physical climate risks include supply chain disruptions and site damages due to extreme weather events.

The resilience of our strategy and business model in relation to climate change will be assessed with a resilience analysis in 2025. The resilience analysis will include a more detailed climate risk assessment including a scenario analysis.

Transition plan for climate change mitigation

Suominen plans to develop a transition plan for climate change mitigation in accordance with the E1 in 2025.

Policies related to climate change

Health, Safety, Environment and Quality (HSEQ) Policy

Climate change is included under Suominen Group HSEQ Policy. The purpose of the Policy is to further define Suominen's commitment to Health & Safety, Environment and Quality (HSEQ) and to establish harmonized HSEQ principles for all Suominen sites. The Policy is applicable to all Suominen Group companies, sites and employees. We also commit to respect the International Chamber of Commerce's (ICC) principles of sustainable development in our HSEQ Policy.

All our sites' environmental management systems are certified according to the ISO 14001 standard. Our production sites in Alicante (Spain), Cressa (Italy), Green Bay (USA), and Nakkila (Finland) have energy management systems certified according to the ISO 50001 standard. In addition to the listed standards, local environmental policies are in place at all our production sites. The Director of HSEQ & Continuous Improvement of Suominen is accountable for the implementation of the HSEQ Policy.

Suominen is committed to continuously improving our production efficiency and the efficient utilization of natural resources and we strive to reduce the climate impacts caused by our operations. The HSEQ Policy addresses climate change mitigation, energy efficiency and renewable energy deployment.

Suominen has no specific climate change adaptation policy in place. However, climate change adaptation is supported through our HSEQ Policy (health & safety) and risk management processes. Suominen manages climate related risks with appropriate precautions, business continuity plans and insurances. As an example, risks relating to continuity of raw material supply are managed by working with multiple international suppliers, and risks relating to the company's own manufacturing facilities are reduced for example by Suominen's geographical diversity.

Actions and resources related to climate change

Use of renewable energy

As a part of our actions on reducing greenhouse gas emissions, all our European sites have shifted entirely to fossil-free electricity since 2021. Our Paulínia site in Brazil shifted to fossil-free electricity in 2023 and our Bethune site in the United States partially in 2024. This shift has been a remarkable step towards our greenhouse gas reduction target. Suominen is examining similar opportunities for its other sites in North America. We also have solar panels in Alicante, Spain, producing renewable electricity for the site. These panels account for approximately 5% of the total energy usage at the site. Suominen is evaluating opportunities for more solar panel investments.

With the use of renewable electricity, we have been able to reduce our Scope 2 greenhouse gas emissions at Bethune site by 41% in 2024 compared to 2023. Suominen has also signed a long-term contract on an electric boiler for steam generation at our Nakkila site in Finland in

2024, which will be implemented in fall 2025. The electric boiler is expected to reduce the use of wood chips at Nakkila site. The impact of the electric boiler on Nakkila sites biogenic Scope 2 greenhouse gas emissions will be evaluated more in detail as the project proceeds. These investments do not qualify as financially significant.

Energy efficiency

No significant energy efficiency related actions to prevent, mitigate or remediate impacts or to address risks have been taken in 2024. Suominen continues to monitor our energy consumption and assess the need for any energy-related actions.

Suominen has identified one potential medium-term investment that would significantly improve the energy efficiency of production in our value chain. No specific capital expenditures or other financial resources have yet been allocated related to the investment.

Targets related to climate change

In line with our strategy and HSEQ policy, our Sustainability Agenda for 2020–2025 has set targets and key performance indicators related to climate change. The targets relate to our material negative impacts of greenhouse gas emissions and energy consumption and the scope covers all our production sites and operations. The targets are set by us voluntarily and are not required by legislation. The Sustainability Agendas were formulated based on materiality assessments, which included input from our stakeholders. Our 2025–2030 Sustainability Agenda targets to reduce our greenhouse gas emissions will be set in 2025.

Sustainability Agenda 2020–2025

Our climate change mitigation target is 20% reduction in greenhouse gas emissions, which consists of Scope 1 and 2, per ton of product by 2025, the baseline being 2019. The target progression is presented indexed, where the base year (2019) is set at 1. The share of Scope 1 and Scope 2 emissions of our total emissions is disclosed under Greenhouse gas emissions. In 2024, we achieved our target as the progress was 24% reduction of greenhouse gas emissions per ton of product compared to the base year 2019. Our actions towards the target are disclosed under *Actions and resources related to climate change* per decarbonization lever.

Our energy target is 20% reduction in energy consumption per ton of product by 2025, the baseline being 2019. The target progression is presented indexed, where the base year (2019) is set at 1. In 2024, Suominen did not make progress in its energy reduction target. Our actions towards the target are disclosed under *Actions and resources related to climate change* per decarbonization lever.

The Sustainability Agenda 2020–2025 targets have been set based on the environmental data gathered from our sites and are not based on any scientific publications.

Sustainability Agenda 2025–2030

Our climate change mitigation target will be to reduce our GHG emissions in line with the Paris Agreement, targeting to limit global warming to 1.5°C above pre-industrial levels. Decreasing GHG emissions is crucial for minimizing the risks and impacts of climate change, such as extreme weather events, rising sea levels, and the loss of biodiversity. By committing to 1.5°C science-based GHG reduction targets, Suominen strengthens its position to lead in sustainable nonwovens and to meet customer expectations. Suominen will be setting its GHG reduction targets in 2025.

Suominen's Sustainability Agenda 2025–2030 does not include measurable time-bound outcome-oriented targets for energy or climate adaptation. One of the objectives of target setting for Suominen's Sustainability Agenda 2025–2030 was to focus our targets on the environmental matters seen as most material. A target was set for reducing landfill waste and in 2025 GHG emission reduction targets will be set. No targets were set for energy consumption and climate change adaptation because those were not seen as significant matters as reducing GHG emissions or landfill waste. Thus, no measurable time-bound outcome-

Progress of climate-related targets	2019	2020	2021	2022	2023	2024
Greenhouse gas emissions per ton of product (indexed)	1	0.92	0.90	0.79	0.82	0.76
Energy consumption per ton of product (indexed)	1	0.93	0.94	0.99	1.01	1.01

oriented targets were seen necessary for these topics specifically. Nevertheless, alternative fossil-free energy sources and improving energy efficiency are an important part of reducing our GHG emissions and achieving our GHG target. We also continuously track the effectiveness of our HSEQ policy by monitoring our energy consumption and by assessing climate change-related risks in our Enterprise Risk Management processes.

Energy consumption and mix

Our energy consumption consists of the usage of gas for heat and steam generation, and the use of purchased electricity and steam. We also produce electricity using solar panels at one site. Suominen is evaluating opportunities for more solar panel investments.

Consolidated energy data covers all our production units. Headquarters in Espoo, Finland and Mozzate office in Italy are excluded from this data since their energy use is insignificant compared to the energy use at our production sites. Consolidated energy data is collected monthly from Suominen's production units, based on energy meters and invoices. For the Windsor Locks site in the United States, only consumption data of Suominen's production lines is taken into account in the energy consumption figures.

Energy consumption and mix	2024
1. Fuel consumption from coal and coal products (MWh)	0
2. Fuel consumption from crude oil and petroleum products (MWh)	545
3. Fuel consumption from natural gas (MWh)	252,327
4. Fuel consumption from other fossil sources (MWh)	1,037
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	111,486
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	365,395
Share of fossil sources in total energy consumption (%)	70
7. Consumption from nuclear sources (MWh)	44,406
Share of consumption from nuclear sources in total energy consumption (%)	8
8. Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	111,348
10. The consumption of self-generated non-fuel renewable energy (MWh)	1,579
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	112,927
Share of renewable sources in total energy consumption (%)	22
12. Total unallocated energy consumption (MWh)	2,007
Share of unallocated sources in total energy consumption (%)	0.4
Total energy consumption (MWh) (calculated as the sum of lines 6, 7, 11 and 12)	524,735

Energy production	2024
Non-renewable energy production (MWh)	0
Renewable energy production (MWh)	1,579

Energy intensity based on net sales

Suominen operates in the following high climate impact sector: Manufacture of nonwovens and articles made from nonwovens, except apparel (NACE Code 13.95). Sectors with a high climate impact are listed in NACE sections A–H and L (as defined in Commission Delegated Regulation (EU) 2022/1288). All of Suominen's revenue is connected to this high climate impact sector. The energy intensity has been calculated by dividing the total energy consumption from activities in the high climate impact sector by our total net sales (in the consolidated statement of profit or loss of the consolidated financial statements).

Energy intensity based on net sales	2024
Total energy consumption from activities in high climate impact sectors per net sales from activities in high climate impact sectors (MWh/EUR)	0.00114

Greenhouse gas emissions

Suominen reports its direct greenhouse gas emissions (Scope 1), its indirect greenhouse gas emissions from purchased energy production (Scope 2) and other indirect greenhouse gas emissions (Scope 3) according to the Greenhouse gas protocol. Direct Scope 1 greenhouse gases originate from the consumption of fossil fuels used mainly for the generation of process heat. Indirect Scope 2 emissions related to energy production are caused by the production of purchased electricity and steam. Other indirect Scope 3 emissions are caused by those activities we are indirectly responsible for in the whole value chain.

In 2024, Suominen´s total GHG emissions (market-based) increased by 10% compared to previous year. Total GHG emissions from Scope 1 and 2 (market-based) stayed almost on the same level (decrease of 1%) in 2024. The GHG emissions from Scope 3 have increased by 12% compared to 2023. The increase in Scope 3 emissions was mainly driven by increased production volumes and updated emission factors.

Greenhouse gas emissions, milestones and targets

	Retrospective				Milestones and target years			
	Base year	2023	2024	Change % 2024 / 2023	2025	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	N/A	44,495	48,926	10%	N/A	N/A	N/A	N/A
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	0	0	0%	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	N/A	65,124	67,195	3%	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq)	N/A	51,421	45,874	-11%	N/A	N/A	N/A	N/A
Significant scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2eq)	N/A	530,123	592,316	12%	N/A	N/A	N/A	N/A
1. Purchased goods and services	N/A	399,133	455,117	14%	N/A	N/A	N/A	N/A
2. Capital goods	N/A	2,817	4,025	43%	N/A	N/A	N/A	N/A
3. Fuel and energy-related activities (not included in Scope1 or Scope 2)	N/A	18,908	19,899	5%	N/A	N/A	N/A	N/A
4. Upstream transportation and distribution	N/A	36,351	38,250	5%	N/A	N/A	N/A	N/A
5. Waste generated in operations	N/A	3,881	4,010	3%	N/A	N/A	N/A	N/A
6. Business traveling	N/A	1,112	1,133	2%	N/A	N/A	N/A	N/A
7. Employee commuting	N/A	1,271	1,451	14%	N/A	N/A	N/A	N/A
9. Downstream transportation	N/A	8,762	8,837	1%	N/A	N/A	N/A	N/A
10. Processing of sold products	N/A	23,049	25,620	11%	N/A	N/A	N/A	N/A
12. End-of-life treatment of sold products	N/A	33,446	32,493	-3%	N/A	N/A	N/A	N/A
13. Downstream leased assets	N/A	1,394	1,480	6%	N/A	N/A	N/A	N/A
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	N/A	639,742	708,437	11%	N/A	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO_2eq)	N/A	626,039	687,116	10%	N/A	N/A	N/A	N/A

Greenhouse gas emission calculation methodology and assumptions

Suominen calculates its Scope 1, 2 and 3 greenhouse gas emissions according to the Greenhouse gas protocol "A Corporate Accounting and Reporting Standard" and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". Suominen reports with an Operational control approach. Scope 3 data is based on consumption and spend information as well as estimations.

Suominen's direct (Scope 1) greenhouse gas emissions are from the sources controlled by Suominen. No Scope 1 biogenic emissions are generated from our operations as only fossils fuels are used.

Suominen's indirect (Scope 2) greenhouse gas emissions cover emissions from purchased electricity and steam. Biogenic emissions (Scope 2) are generated at one site, in Nakkila, where the purchased steam is produced by burning woodchips. The impact of the electric boiler on the biogenic Scope 2 GHG emissions will be evaluated more in detail as the project proceeds. Market-based emissions are used for target setting and following our progress. Greenhouse Gas Protocol's calculation hierarchy and related emission factors are used for the calculation of market- and location-based methods. Market-based emission factors are mainly derived from the local suppliers or when appropriate residual mixes (RE-DISS project) are used. Our sites using fossil-free electricity have certificates from local suppliers about the origin of the energy. Emission factors used for location-based emissions are derived from the US national statistics (such as eGRID database) and for all other production sites country-based databases were used. The figures for 2023 Scope 2 emissions from Windsor Locks have been restated.

Suominen calculated its Scope 3 emissions for the second time in 2024. Calculations were based on the Greenhouse Gas Protocol. In 2024, Scope 3 greenhouse gas emission calculation was revised, and some emission factors were updated. The figures presented for 2023 Scope 3 emissions have been restated. The Scope 3 calculation includes 15 different emissions categories in total, and all of these were evaluated whether they were relevant to Suominen. 11 categories were deemed material and included into calculations. Excluded categories were from the upstream side: leased assets and from the downstream side: use of sold goods, franchising, and investments. The relevance of emission sources was determined together with an external consultant. 40% of Scope 3 greenhouse gas emissions were calculated using primary data obtained from suppliers or other value chain partners. Due to the limited availability of data, Suominen does not calculate scope 3 biogenic emissions.

The greenhouse gas emission category 1 is called Purchased goods and services. Purchased goods are calculated based on material amounts (mass) from an internal spend report, which is based on invoices. Raw material emissions are calculated by using supplier-specific emission factors or with emission factors from the Ecoinvent database, which represent the average country-specific or global production-related emissions for the raw material. The emissions arising from other production-related materials are calculated with Defra or Ecoinvent emission factors. Purchased services are based on spend data, and emission factors are applied from Exiobase database.

Emission calculation for capital goods (category 2) is based on spend data on investments. Emissions factors are from Exiobase.

For purchased energy, under fuel- and energy-related activities (category 3), the emissions are calculated based on the energy amounts reported in Scope 1 and 2 as well as fuel usage for company vehicles. Defra emissions factors are mainly used. For electricity, transmission losses and residual mixes are included.

Data for upstream and downstream transportation and distribution (categories 4 and 9) is from an internal reporting system (SAP), and the calculation methodology is based on tonkilometers. Upstream and downstream categorization is done based on Incoterms of each shipment. Calculations are based on Defra factors.

Global waste calculations use mainly Defra factors, and waste generated in Finland is based on factors provided by local institutes and studies.

For business travel (category 6), the data is based on reports from several travel agency service providers. Calculations are based on Defra conversion factors. WTT emissions are included, and air travels include RF emissions.

Employee commuting (category 7) is based on personnel data from Suominen's internal HR system. The calculations take into account that white collars work partly remotely and during each workday while blue collars work fully at the sites. Commuting calculations include the full route from employees' home to working facility and the return home. Defra factors are used, and WTT emissions are included.

Processing of sold goods (category 10) is based on the volume of sold products to customers. Accurate emissions were calculated for those products sold for which customer-specific primary data were available. If customer-specific primary data was not available, an average value calculated from customer emission factors was used.

End-of-life treatment of sold goods (category 12) is based on volumes sold to clients categorized into estimated end-use applications and disposal method for use case. Emissions factors used are the same as in category 5.

Downstream leased assets (category 13) include Suominen's rental properties leased to two parties in Bethune. Calculations are based on consumption data, energy sources are asset specific, and factors are obtained from Defra database.

Greenhouse gas intensity based on net sales

The GHG intensity has been calculated by dividing the total GHG emissions (both location- and market-based) by the total net sales (in the consolidated statement of profit or loss in the consolidated financial statements).

GHG intensity based on net sales	2024
Total GHG emissions (location-based) per net sales (tCO_2eq/EUR)	0.00153
Total GHG emissions (market-based) per net sales (tCO_2eq/EUR)	0.00149

Pollution

Our material impacts, risks and opportunities related to pollution

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Pollution	- Possible microplastics from products	- Plastic-free products in portfolio - Continuous R&D of plastic-free products - Monitoring of discharge waters	- Ban of plastics and increasing regulation on microplastics	- Innovations regarding microplastics

Interaction with strategy and business model

Suominen does not produce any significant pollution in our own operations. As water is an essential resource for Suominen, we regularly monitor our water discharges at all sites to minimize our environmental impacts related to water pollution. Plastic pollution in water has become a major environmental concern, causing governments to introduce regulations on plastic usage and waste. Disposability is a feature that is essential for the end use of many of our products, for example hygiene products, and for this reason Suominen is continuously developing plastic-free products, resulting in avoidance of potential microplastic pollution happening in our downstream value chain.

Material pollution-related positive impacts from Suominen's own activities include the plastic-free products in Suominen's portfolio, our continuous research and development of plastic-free products and discharge water monitoring. Material impacts Suominen is involved with through business relationships include the possible microplastic pollution caused by improper disposal of our products by the end-users. Possible microplastic pollution from our products can negatively affect people and the environment, as microplastics can accumulate to organisms. Our plastic-free products and the continuous research and development in this area can reduce the pollution of microplastics from nonwovens globally. All our material impacts can materialize within a short time horizon.

Material financial risks Suominen is involved with through business relationships in the upstream value chain include ban of plastics and increasing regulation through regulatory bodies.

Opportunities related to innovation regarding microplastics arise from our own development activities, as well as from the operational environment in which we operate.

One of the four themes of our Sustainability Agenda for 2020–2025 as well as for 2025–2030 is low impact manufacturing as we continuously strive to decrease negative environmental impacts of our operations and supply chain. We have not set pollution-specific targets, since pollution has not been identified as a focus point for our actions. Our other targets related to low impact manufacturing also contribute to minimization of pollution.

Policies related to pollution

Pollution is included under Suominen Group HSEQ Policy. The purpose and general information of the HSEQ Policy is disclosed under *Climate change*.

Suominen strives to ensure that proper initiatives are taken at all organizational levels to prevent pollution, reduce environmental impact and to adopt a continuous improvement model to successfully manage the environmental matters at all locations.

Actions and resources related to pollution

Two significant investments are currently underway contributing to the mitigation of negative impacts and financial risks related to microplastics. We are strengthening our sustainable, non-plastic production at our Bethune site by developing and upgrading one of our production lines. The total value of the investment is approximately EUR 10 million and the investment project will be completed in the first half of 2025. We are also investing in a new production line at our Alicante site, which will increase Suominen's Card-Pulp-Card (CPC) capacity. The total value of the investment is approximately EUR 20 million and the investment project will be completed in the second half of 2025.

Targets related to pollution

Suominen's Sustainability Agendas 2020–2025 and 2025–2030 do not include pollution-related targets. One of the objectives of the target resetting carried out during the development of Suominen's Sustainability Agenda 2025–2030 was to focus our targets on the environmental matters seen as most material. Pollution is not seen as significant as other environmental matters, and thus no measurable, time-bound outcome-oriented targets were seen necessary. A target was set for reducing landfill waste, and in 2025 GHG, emission reduction targets will be set. Landfill waste is closely linked with pollution and it is disclosed under *Resource use and circular economy*.

Nevertheless, water pollution of our outflow water is monitored on site level to make sure our operations are aligned with our HSEQ Policy and local environmental policies and legislation. Processes and indicators related to water monitoring are described in *Pollution of water*.

Pollution

Pollution of water

We regularly monitor our water discharges at each site to minimize our environmental impacts related to water pollution. The pollutants monitored at our sites vary depending on the requirements set by environmental permits, local policies or legislation. All our water monitoring is carried out by an independent third party and the monitoring frequency varies between sites. The pollution data is collected on site-level from water monitoring reports and consolidated on group level. The Windsor Locks site is excluded from water pollution data, since the site is operated jointly with Ahlstrom, there is no line-specific water monitoring in place and the operational control of water treatment is with Ahlstrom.

In 2024, no exceedance of the applicable threshold values of water pollutants listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "EPRTR Regulation") were monitored.

Microplastics

Suominen manufactures nonwovens, part of which are made from oil-based raw materials and therefore contain plastic. The nonwovens produced by Suominen are further processed into single-use products, such as wipes. Eventually, the nonwoven end product will end up as waste. If the product is disposed improperly, microplastics may unintentionally be released into the environment. The potential microplastic pollution and disposal of end products occur in our downstream value chain in the hands of product end users, such as consumers. For this reason, estimating the amount of microplastics released from our nonwovens robustly is not possible. We aim to minimize the possible microplastic pollution occurring in our value chain by developing our plastic-free offering and engaging in other research and development activities.

Water

Our material impacts, risks and opportunities related to water

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Water	- High water consumption in operations	- 90% of water returned to water bodies or sanitary sewer systems - Water reuse processes	- Increasing water price in Spain - Increasing water scarcity in Spain	

Interaction with strategy and business model

Water is an essential resource for Suominen, as it is used in nonwovens production processes to bind fibers together into nonwoven fabrics. Approximately 90% of the water taken into our processes is discharged back to water bodies or sanitary sewer systems, which means that only 10% of our water intake is consumed in our production processes, mainly through evaporation. The wetlaid production technology that is used at two Suominen production sites requires significantly more water than other production technologies. Wetlaid production accounts for 82% of Suominen's total water intake.

Material water-related impacts from Suominen's own activities include the negative impact of water consumption and the positive impacts of 90% water return rate and water reuse processes. Production of wood-based fibers is often also water intensive; thus, water consumption is also significant in our upstream value chain. High water consumption can affect water availability negatively especially in areas with water scarcity. Our 90% return rate and reuse processes can affect water availability positively and increase the resilience of the water systems against water shortages. All our material impacts can materialize within a short time horizon.

All our material water-related financial risks are related to Suominen's own activities, as they concern our Alicante site, which is located within a high-risk area where water can be considered a scarce resource. No water-related material opportunities were identified during the double materiality assessment.

One of the four themes of our Sustainability Agenda for 2020–2025 as well as for 2025–2030, low impact manufacturing, considers the impact we have on water. We continuously strive to decrease the negative environmental impacts of our operations.

Policies related to water

Water is included under Suominen Group HSEQ Policy. The purpose and general information of the HSEQ Policy is disclosed under *Climate change*.

Resource efficiency is a key part of the Policy, and in compliance with it, Suominen is committed to reducing water usage, using water efficiently and minimizing water pollution by continuously developing its production processes and employing the best available methods and technologies. Suominen is dedicated to full compliance with local and international laws and regulations related to the protection of the environment. Our water use and discharges are regulated by national or regional authorities, and we constantly monitor the quality of discharged water. All water is treated in either our own or municipal water treatment sites before being discharged.

Suominen has evaluated the scarcity of water at our sites by using the World Resources Institute's Water Risk Atlas. One of our production sites is located in a high-risk area where water can be considered a scarce resource. The water intake of this site accounts for approximately 1% of Suominen's total water intake (2024). The site is covered by the Suominen Group HSEQ Policy.

Actions and resources related to water

No significant water-related actions to prevent, mitigate or remediate impacts or to address risks have been taken in 2024. Suominen continues to monitor our water consumption and assess the need for any water-related actions.

Suominen re-evaluates the scarcity of water at our sites by using the World Resources Institute's Water Risk Atlas regularly, most recently in 2024. No specific actions have been taken at our site located in a high-risk area in 2024.

Suominen has identified one potential medium-term investment that would significantly improve the water efficiency of production in our value chain. No specific capital expenditures or other financial resources have yet been allocated related to the investment.

Targets related to water

Sustainability Agenda 2020–2025

In line with our strategy and HSEQ policy, our Sustainability Agenda 2020–2025 has set targets and key performance indicators related to our water consumption. The target relates to our material negative impact of water consumption, and the scope covers our production sites including the site located within a high-risk area. The target is set by us voluntarily and is not required by legislation. The Sustainability Agenda 2020–2025 was formulated based on a materiality assessment, which included input from our stakeholders. The Sustainability Agenda 2020–2025 target has been set based on the environmental data gathered from our sites and is not based on any scientific publications.

Our target is 20% reduction in water consumption per ton of production by 2025, the baseline being 2019. The target progression is presented indexed, where the base year (2019) is set at 1.

In 2024, Suominen's water consumption increased by 2% per ton of product, compared to the base year 2019. Thus, Suominen did not make progress in its water consumption reduction target.

Sustainability Agenda 2025–2030

Suominen's Sustainability Agenda 2025–2030 does not include water-related targets. One of the objectives of the target resetting carried out during the development of Suominen's Sustainability Agenda 2025–2030 was to focus our targets on the environmental matters seen as most material. Water was not seen as significant as greenhouse gas emissions or waste, and thus no measurable time-bound outcome-oriented targets were seen necessary. Nevertheless, we continuously track the effectiveness of our HSEQ policy in relation to our water consumption. Processes and indicators related to water consumption monitoring are described in *Water consumption*.

Water consumption

Consolidated water data covers all our production units. Headquarters and Mozzate office are excluded from this data, since the water used is insignificant compared to the water used at our production sites. We measure our water inflows (water withdrawals and municipal water supply), water consumption and water outflows (water discharges) separately for each site. The measurement methods vary between sites from inflow and outflow meters to estimations based on purchases. Water consumption is calculated on site level based on the difference between inflow water and outflow water.

We are not able to measure our recycled or reused water in operations, but we have estimated the amount separately for each site. The water recycled and reused has been estimated based on the share of total water intake which can be reused or recycled in our processes. We report the share of reused or recycled water and not the actual amount of water circulated in our processes repeatedly before we discharge it as wastewater. The estimations have been carried out based on calculations of, for example, water balance, reclaimed water and process water demand. The estimation methodology varies between sites since their water flow processes are different. We aim to further analyze our water balance

Progress of water-related targets	2019	2020	2021	2022	2023	2024
Water consumption per ton of product (indexed)	1	0.88	0.80	0.94	0.99	1.02

in 2025 in order to increase the estimation accuracy of recycled or reused water.

Water metrics	2024
Water consumption (1,000 m^3)	1,030
Water consumption in areas of water risk (1,000 m^3)	66
Water recycled and reused (1,000 m^3)	3,042
Water intensity (m^3/M EUR net sales)	2,229
Water withdrawals from surface water (1,000 m^3)	4,483
Water withdrawals from ground water (1,000 m^3)	2,348
Water discharges (1,000 m^3)	6,459

Resource use and circular economy

Our material impacts, risks and opportunities related to resource use and circular economy

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Resource use and circular economy	- Resource use intensive operations - Use of fossil-based materials - Single-use and non-reusable products - Challenging product circularity - Landfill waste generated in operations - Possible overuse of materials through unoptimized manufacturing processes in the future	- Use of recycled materials - Resource efficient products in portfolio - Continuous R&D supporting material efficiency - Collaboration within value chain - Possibility to contribute to circular economy by increasing recyclability of products - Biodegradable and compostable products in portfolio - Possibility to contribute to circular economy by selling nonwoven generated in manufacturing, which does not fulfill our own quality requirements, for reuse	- Rapid market changes away from plastic-based materials - Changing consumer preferences - Increasing raw material prices - Increasing environmental concerns from stakeholders towards plastic-based and single-use products	- Raw materials from recycled sources or new innovative sources - Raw materials from renewable sources - Increasing production efficiency - Increasing demand in plastic-free products - Circular business models and products creating new business opportunities - Increasing demand in biodegradable and compostable products

Interaction with strategy and business model

Raw materials play a vital role in our business since they account for around 70% of our expenses. Suominen uses different fiber materials, such as cellulose-based fibers including lyocell, viscose and pulp and fossil-based fibers such as polypropylene, and polyester, in the production of nonwovens. Suominen is constantly looking for solutions to decrease the environmental impact of nonwoven products throughout the value chain. We actively evaluate new, innovative, and sustainable fibers for our products. We have a strong focus on efficient utilization of raw materials, and we continuously work to improve our material efficiency even further.

Most of our resource use and circular economy related material impacts are associated with our own activities. Material impacts related to Suominen's business relationships include the negative impact of waste generated from our single-used products by the end users, and the positive impacts from collaboration and the possibility to sell nonwoven generated in manufacturing, which does not fulfill our own product quality requirements, to our business partners for reuse, increasing circularity and decreasing landfill waste.

Our resource use intensity affects the environment negatively by consuming natural resources and causing emissions. This is also impacted by our use of non-renewable materials, circularity challenges and potentially less efficient production processes. Landfill waste from our production can cause local pollution and soil contamination, and the disposal of our single-used end products made from Suominen's nonwovens can cause littering if not disposed correctly or properly. Our positive impacts, such as the use of renewable and recycled materials and continuous research and development, mitigate these negative impacts. We are reducing the waste load of nonwovens with our biodegradable and compostable products and our own operations by actively reducing landfill waste. Our actual material impacts can materialize within a short time horizon, while our potential impact can materialize within a medium time horizon.

Risks which arise in the context of our business relationships in the upstream value chain include increasing raw material prices from our suppliers. Risks which arise in the context of our business relationships in the downstream value chain include changing the market environment, changing consumer preferences and increasing environmental concerns from stakeholders towards plastic-based and single-use products. Resource use and circular economy related material opportunities Suominen is involved with through our own activities include our efforts towards more sustainable products and material efficiency. Increasing demand for sustainable products from our customers in our downstream value chain creates opportunities and supports mitigation of financial risks.

One of the four themes of our Sustainability Agenda for 2020–2025 as well as for 2025–2030, low impact manufacturing, considers the impact we have on circular economy and waste. We continuously strive to decrease the environmental impacts of our operations, and we have set targets related to our raw material use, landfill waste and sustainable product sales and development.

Policies related to resource use and circular economy

Resource use and waste is included under Suominen Group HSEQ Policy. The purpose and general information of the HSEQ Policy is disclosed under *Climate change*.

Resource efficiency is a key part of the Policy, and in compliance with it, Suominen is committed to continuously improve our production efficiency and the efficient utilization of natural resources. Raw material suppliers are required to sign and comply with Suominen's Supplier Code of Conduct. More information on supplier engagement is reported under *Business conduct*. We support responsible forest management practices, and offer nonwovens produced from FSC®, PEFC, and SFI® certified raw materials.

The HSEQ Policy addresses most of our material impacts, risks and opportunities connected with our operations and in our upstream and downstream value chain. The HSEQ Policy does not currently address the impacts, risks and opportunities related to transitioning away from the use of virgin resources or including relative increases in use of secondary (recycled) resources.

Actions and resources related to resource use and circular economy

In 2024, Suominen invested and took into use one recycling unit in its Bethune plant. The investment did not qualify as financially significant. No other significant resource use and circular economy related actions to prevent, mitigate or remediate impacts or to address risks or opportunities have been taken in 2024. Suominen continues to monitor our resource efficiency and circularity and develop recycling solutions to achieve greater raw material efficiency in the future.

Targets related to resource use and circular economy

In line with our strategy and HSEQ policy, our Sustainability Agenda for 2020–2025 as well as for 2025–2030 set targets and key performance indicators related to our products, raw material use and manufacturing waste. The targets relate to our material negative impact of resource use and landfill waste and our material positive impact and opportunity of sustainable products. The targets cover all our production sites. The targets are set by us voluntarily and are not required by legislation. The Sustainability Agendas were formulated based on materiality assessments, which included input from our stakeholders. The targets have been set based on the environmental data gathered from our sites and are not based on scientific publications.

Sustainability Agenda 2020–2025

Suominen has three targets related to resource use and circular economy. Suominen's product-related targets are to increase the sales of sustainable products by 50%

compared to the base year 2019 and to launch over 10 sustainable products per year. Suominen's sustainable products have to fulfill at least one of the following criteria: products are made of renewable, plastic-free or partially recycled raw materials or being compostable or dispersible nonwovens. Sustainable product launches include new sustainable product launches, re-launches and concepts related to sustainable products. In 2024, we increased the sales of sustainable products by 87% compared to 2019, exceeding our target. We launched ten new sustainable products and one sustainable concept supporting sustainable products resulting in the total of 11 sustainable product launches in 2024, exceeding our target.

Regarding manufacturing waste, our target is a 20% reduction in waste to landfill per ton of product by 2025, the baseline being 2019. The target is related to recycling and recovery levels of the waste hierarchy laid down in the EU waste framework directive. The target progression is presented indexed, where the base year (2019) is set at 1. In 2024, Suominen did not make progress in its waste to landfill reduction target and the amount of landfill waste was increased. Reducing landfill waste is essential for Suominen's raw material efficiency and therefore it continues to be one of the key targets in our Sustainability Agenda 2025-2030.

Sustainability Agenda 2025–2030

Developing sustainable products is at the core of our research and development (R&D) activities. We direct more than half of our new R&D initiatives to support testing new raw materials and the development of new sustainable products (e.g. Green Lab compostability center), services and processes. Target progression is followed as a relative target, new R&D initiatives focusing on advancing the development of sustainable products, compared to the total number of new R&D initiatives.

Regarding our material use, we aim that more than two thirds of consumed raw materials will be from plant-based resources by 2030. Raw materials play a vital role in the manufacturing of nonwovens. By prioritizing sustainable virgin and recycled plant-based raw materials, Suominen strengthens its offering on sustainable and high-performing products to reduce dependence on non-renewable raw materials. Target progression is followed as a relative target, plant-based raw material use compared to total raw material use. The percentage is absolute volume based and the measuring unit for raw material use is tons.

Regarding manufacturing waste, our target is zero nonwoven manufacturing waste to landfill by 2030. Suominen aims to ensure that all nonwoven waste generated during the manufacturing process is completely diverted from landfills through methods and levels of the waste hierarchy laid down in the EU waste framework directive such as improving production efficiency, recycling, reusing, or utilizing waste in energy production. By eliminating nonwoven manufacturing waste to landfill, Suominen reduces its emissions and overall environmental impact. Along with process improvements, this commitment also enhances the efficient use of raw materials and energy. The target progression is absolute volume based and the measuring unit for landfill waste is tons.

The Sustainability Agenda 2025–2030 does not directly include separate targets related to increase of circular material use rate or minimization of raw material use, but the Sustainability Agenda targets indirectly support these goals as well. Circulating hygiene and medical products is often challenging, which limits our possibilities to set measurable, outcome-oriented targets related to these topics. However, we are constantly researching, piloting and developing new sustainable material solutions.

Resource inflows

The main resources used in our operations include different fiber materials, such as cellulose-based fibers,

Progress of resource use and circular economy related targets	2019	2020	2021	2022	2023	2024
Sales increase of sustainable products (%)	-	22.5	47	99	79	87
Number of sustainable product launches	-	9	16	12	12	11
Waste to landfill per ton of product (indexed)	1	1.49	1.27	1.47	1.43	1.41

polypropylene, and polyester. We have categorized our resource inflows into plant-based raw materials, fossil-based raw materials, secondary reused or recycled raw materials and other raw materials. Plant-based raw materials include raw materials manufactured using biological materials, such as wood, and fossil-based raw materials respectively include materials manufactured using fossil materials, such as oil. Secondary reused or recycled raw materials are raw materials purchased from external sources which are by majority or entirely manufactured using secondary sources which would otherwise end up as waste. Other raw materials include materials such as colorants and pigments.

In 2024, the share of plant-based raw materials was 62%, with most of them being cellulosic fibers such as viscose and pulp. Sustainably sourced wood-based materials include FSC®, PEFC, and SFI® certified raw materials. In addition to renewable fibers, we also provide nonwovens made from other sustainable sources such as PLA or recycled PET. A great example of a frontrunner product in terms of sustainability is HYDRASPUN® Circula, our first nonwoven made from recycled paper.

Water is an essential resource for Suominen, as it is used in our nonwovens production processes to bind fibers together into nonwoven fabrics. Our water consumption is disclosed under Water. Packaging materials were not assessed to be material for Suominen, since their share in our material use is minimal.

Inflows of key material streams	2024
Plant-based raw materials (tons)	86,935
Fossil-based raw materials (tons)	52,115
Other raw materials (tons)	150
Sustainably sourced plant-based materials (%)	54
Secondary reused or recycled plant-based materials (tons)	0
Secondary reused or recycled fossil-based materials (tons)	1,836
Secondary reused or recycled materials (%)	1
Total raw materials (tons)	141,036

Consolidated resource inflow data covers all our production units. Headquarters and Mozzate office are excluded from this data, since the resources used are insignificant compared to the resources used at our production sites. Consolidated inflow data is collected on a monthly basis from Suominen's production sites, based on invoices and consumption information, while some information is based on separately collected statistics or estimations. For the Windsor Locks site, only inflow data with regard to Suominen's production lines is taken into account in the environmental figures. Inflow material streams are only calculated into one category, i.e. secondary reused or recycled materials are only included in secondary reused or recycled material metrics regardless of whether they are plant-based or fossil-based. Suominen also has internal cycles for raw material reuse, which are not included in the metrics.

Resource outflows

Products

Suominen manufactures nonwovens as roll goods for wipes and other applications. After Suominen's production site, nonwovens will be converted into end-products by our customers. Suominen's nonwovens are, for the most part, used in daily consumer goods such as wet wipes as well as in hygiene and medical products. Suominen has a particular portfolio of sustainable products manufactured by a variety of technologies. Our key products that are designed according to the circular principles (including recycling and recirculation in the biological cycle), are biodegradable, compostable, dispersible or made from recycled materials.

The BIOLACE® and HYDRASPUN® product families of nonwovens are produced solely from renewable raw materials, such as plant-based fibers. Suominen has evaluated that the BIOLACE® and HYDRASPUN® products will biodegrade and compost like the fibers from which they are made of since their manufacturing does not require any binders or chemicals that could potentially interfere with the process. If additional chemicals are added to these raw materials, the final product needs to be re-evaluated according to certification criteria.

Suominen's products made from 100% renewable materials are 100% recyclable by recirculation in the biological cycle. Nonwovens manufactured by Suominen are not available for consumers as end-products. Suominen's products will be converted to the end-products by our customers, which will affect the recyclability of the end-products.

Waste

The waste fractions generated in Suominen's own operations originate from the nonwoven production process (e.g. trim waste) and packaging of nonwoven roll goods. Suominen's waste fractions are mainly classified as non-hazardous waste. Small amounts of hazardous waste are generated from our production, mainly from the use of certain colorants and binders. In waste management, Suominen's priority is to prevent waste generation in the first place by improving material efficiency. We actively work with different partners to increase the reuse and recycling opportunities for our waste.

We contribute to circular economy by selling nonwoven generated in manufacturing, which does not fulfill our own product quality requirements, to our business partners for reuse. These outflows are reported under *other recovery operations*.

Consolidated waste data covers all our production sites. Headquarters and Mozzate office are excluded from this data, since the amount of waste is insignificant compared to the waste produced at our production sites. Consolidated waste data is collected on a monthly basis from Suominen's production sites based on invoices and estimations. For the Windsor Locks site, only waste data with regard to Suominen's production lines is taken into account in the environmental figures. We have categorized our manufacturing waste composition into plant-based fiber waste (waste from plant-based fibers, such as viscose, pulp, etc.), fossil-based fiber waste (waste from fossil-based fibers, such as polyester, etc.) and other waste (waste from other sources that does not fit in the previous two categories), since majority of our manufacturing waste is fiber waste.

Non-hazardous manufacturing waste	2024
Preparation for reuse (tons)	9
Recycling (tons)	3,450
Other recovery operations (tons)	1,713
Energy recovery (tons)	1,391
Incineration (tons)	0
Landfill (tons)	5,337
Total non-hazardous manufacturing waste (tons)	11,900

Hazardous manufacturing waste	2024
Preparation for reuse (tons)	0.181
Recycling (tons)	3.176
Energy recovery (tons)	1,001
Incineration (tons)	0
Landfill (tons)	0.4
Total hazardous manufacturing waste (tons)	4.758

Total manufacturing waste	2024
Total manufacturing waste (tons)	11,904
Total non-recycled manufacturing waste (tons)	8,452
Total non-recycled manufacturing waste (%)	71

Manufacturing waste by composition	2024
Plant-based fiber waste (tons)	7,606
Fossil-based fiber waste (tons)	4,250
Other waste (tons)	48

Own workforce

Our material impacts, risks and opportunities related to own workforce

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Own workforce	- Possible work-related accidents	- Investments in health and safety - All employees covered by occupational health care - Promotion of employee well-being - Trainings and skill development	- Possible work-related accidents - Poor employee well-being affecting productivity - Poor employer reputation decreasing access to workforce	- Employee and contractor safety increasing profitability - Employee well-being increasing productivity - Good employer reputation increasing access to workforce - Trainings and skill development creating new business opportunities

Interaction with strategy and business model

Suominen has over 700 employees representing more than a dozen nationalities, working either at one of our seven sites across three continents or at our head office in Finland. Occupational safety and the overall well-being of employees is a priority for Suominen. We invest in increasing employee engagement, continue to build a high-performance culture and continue to strengthen our safety culture. We have not identified any significant risk of incidents of forced labor or child labor in Suominen's operations.

Suominen is involved with all of our material impacts through our own activities. Our impacts can affect the physical and mental well-being of all our own employees and non-employees, including blue-collar and white-collar employees. Suominen does not have a significant number of non-employees working at our sites. We will define our non-employees in 2025 and report accordingly in 2026. Our blue-collar employees are more susceptible to possible work-related accidents. Our material negative impact of possible work-related accidents is related to individual incidents that can occur at our production sites. Our material positive impacts are a result of our corporate culture and affect all our employees and non-employees. All our material impacts can materialize within a short time horizon.

All our material own workforce-related financial risks and opportunities are related to Suominen's own activities, as they concern our own processes and employee management. All of our material financial risks and opportunities are related to our material impacts and emphasize our dependency on our own employees' safety and well-being.

None of our material risks and opportunities arising from impacts and dependencies on people in our own workforce relate to specific groups of people.

One of the four themes of our Sustainability Agenda for 2020–2025 as well as for 2025–2030, people and safety, considers the impact we have on our own workforce. We continuously invest in increasing employee engagement, continue to build a high-performance culture and to strengthen our safety culture. We have set targets related to health and safety, as well as diversity.

Policies related to own workforce

Suominen has multiple policies related to our own workforce in place to mitigate any negative impacts and to promote our positive impacts related to topics such as occupational safety and employee engagement. We invest in increasing employee engagement and our safety culture, which are the key people-related targets in our Sustainability Agenda. More information on employee engagement is described under *Employee engagement*.

Code of Conduct

Own workforce is included under Suominen Code of Conduct. The purpose and general information of the Code of Conduct is disclosed under *Business conduct*. We have specific commitments related to our own workforce in our Code of Conduct, including "A fair and respectful workplace" and "Health, safety, and wellbeing". Our Code of Conduct is also in place to eliminate discrimination, including harassment and to promote equal opportunities and other ways to advance diversity and inclusion. The Code of Conduct covers the following grounds for discrimination: age, gender, religion, ethnic or national origin, sexual orientation, political opinion, disability, or any other characteristic protected under the applicable law. Our Code of Conduct training is mandatory for all employees, and employees must retake the course every other year. Code of Conduct training is part of our onboarding process. We also have human rights commitments in both Code of Conduct and our Human Rights Policy.

HSEQ Policy

Health and safety is included under Suominen Group HSEQ Policy. The purpose and general information of the HSEQ Policy is disclosed under *Climate change*.

In the HSEQ Policy, Suominen is committed to providing a safe and healthy working environment for all employees, contractors, and others working for us. All Suominen Group companies and employees are expected to respect and comply with all applicable laws and regulations, either local or international, and to contribute to a safe working environment every day. Suominen is committed to achieving zero accidents at all of its sites. To achieve this target, Suominen commits to implement programs to engage employees, contractors, suppliers and visitors to guarantee safe and healthy working conditions and behavior models.

It is required that all Suominen employees fully respect the established Life Saving Rules as well as all good practices existing at the different locations. Safety culture is continuously promoted among all employees in order to ensure proper safety behavior. Suominen also promotes the continuous improvement model to successfully manage safety and to encourage participation and consultation from all employees.

Human Rights Policy

The purpose of the Human Rights Policy is to reaffirm Suominen's commitment to respecting human rights. The Policy complements our Code of Conduct and related policies. The Human Rights Policy applies globally to all Suominen Group companies. The Policy focuses on human rights topics which are most relevant to our business and operations: Safe and healthy workplace, Diversity, equity and inclusion (DEI), Freedom of association and fair employment practices, Forced labor and child labor and Human rights in our supply chain. The Policy states that Suominen is committed to taking appropriate action to remediate situations where our activities have caused or contributed to an adverse human rights impact. The Chief People & Communications Officer of Suominen is accountable for the implementation of the Human Rights Policy.

Suominen respects and supports the protection of internationally proclaimed human rights, such as those described in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labor Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work. Suominen is committed to the OECD Guidelines for Multinational Enterprises, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights.

Recruitment Policy

The purpose of the Recruitment Policy is to outline our preferred hiring practices and principles for attracting and selecting internal and external job candidates, promote consistency in our recruiting process across all countries, and define the approval rights related to recruitments at Suominen. All in all, the purpose is to ensure that our recruitment activities are performed in an effective, efficient, fair, and compliant way which promotes our employer brand. The Recruitment Policy was updated in 2024 to further emphasize the importance of diversity, equity and inclusion (DEI). The Recruitment Policy is followed globally by every Suominen Group company, and every employee involved in recruitment. The Chief People & Communications Officer of Suominen is accountable for the implementation of the Recruitment Policy.

Employee engagement

We engage with our employees through several channels, including daily interactions, our global intranet and local intranets and internal newsletter, global employee engagement surveys and local pulse surveys, performance development discussions and trainings. The Chief People & Communications Officer of Suominen has operational responsibility for ensuring that employee engagement is carried out and appropriate actions planned respectively.

Increasing employee engagement was one of our key people-related targets in our Sustainability Agenda for 2020-2025. We conducted a global employee engagement survey for a fifth consecutive year in 2024. The response rate for the survey remained at a strong level and was 79%. The survey results identified both positive areas and opportunities for improvement. In the 2024 survey, we saw improvement in many of the survey areas. The most significant improvement appeared in service and quality focus as well as innovation. Feedback and recognition has been identified as an area for further development in the previous surveys, and the recent results confirm us that we have taken effective steps in the right direction as the results improved slightly. On the other hand, employees' confidence in the company's future success decreased slightly from 2023. The survey results are used as a basis for our people-related development work. Team-specific results are shared with the team leaders, who will then review and discuss them within their teams.

Based on the results, on top of Group level action plan, each site and function leader will create a targeted, actionable development plan for their respective organizations and will follow up on the progress. In 2024 we piloted a pulse survey in one of our productions site related to competence development and this was used as a baseline to decide further development. Based on the global results, our employee engagement index is 67%, which is one percentage point higher than in the previous survey. The index is a combination of questions concerning our people's likelihood of recommending and staying in the company, organizational pride, and commitment. The result means that 67% of the survey participants responded favorably to those questions.

Suominen has various channels for our employees for raising concerns, including a SpeakUp Line hosted by an independent third party. SpeakUp Line and SpeakUp Policy are described in more detail in *Business conduct*.

Actions related to own workforce

Suominen has policies and management systems in place to prevent health and safety incidents, which can have a negative impact on our own workforce. The implementation of these policies and management systems includes actions, such as implementing programs, increasing competence and by anticipating accidents before they happen.

Targets related to own workforce

In line with our strategy and policies, our Sustainability Agenda for 2020–2025 as well as for 2025–2030 has set targets and key performance indicators related to our own workforce. The targets relate to our material potential negative impact of work-related accidents as well as our positive impacts of investments in health and safety and employee well-being and are related to managing our material risks and pursuing our material opportunities. The scope of the targets cover all our employees and production sites globally. The targets are set by us voluntarily and are not required by legislation. The Sustainability Agendas were formulated based on materiality assessments, which included input from our stakeholders, including our own workforce. The targets have been set based on the data gathered from our sites and are not based on any scientific publications.

Sustainability Agenda 2020–2025

Our health and safety target is zero lost time accidents annually. In 2024, 4 lost time accidents (LTA) occurred at Suominen sites, and 4 out of our seven sites were able to reach the zero LTA target in 2024. There has been no significant change in the lost time accidents from the last reporting period.

Our engagement target is that our engagement index will be 73% by 2025. We conducted for the fifth time a global employee engagement survey in 2024, and based on the results our employee engagement index was 67%.

Progress of own workforce related targets	2019	2020	2021	2022	2023	2024
Lost time accidents	6 LTA	1 LTA	4 LTA	2 LTA	6 LTA	4 LTA
Employee engagement index	-	69%	66%	65%	66%	67%

There has been no significant change in the engagement index from the last reporting period.

Sustainability Agenda 2025–2030

Our health and safety target is zero lost time accidents (LTA) annually. Ensuring the safety and well-being of Suominen's employees is our top priority and main goal. We are dedicated to preventing accidents and fostering a robust safety culture. LTA target progression is followed as an absolute number of lost time accidents.

We are also pursuing diversity, equity and inclusion (DEI) index of 80% by 2030. Suominen's way of working is to promote human rights and equal opportunities for all employees. We aim to improve our DEI index by improving open and honest two-way communication and making sure employees are rewarded equally and fairly. We are building a culture of diversity, where ideas and opinions can be shared without the fear of negative consequences. During the target setting, our own employees were invited to participate in a survey where the status of diversity, equity and inclusion (DEI) was investigated.

DEI index progression is followed as a relative target. DEI index is based on the share of positive responses to selected DEI related questions in Suominen's Annual Engagement survey open for all employees.

Our employees

Suominen has over 700 employees representing more than a dozen nationalities, working either at one of our seven sites across three continents or at our headquarters in Finland. Metrics related to our employees are reported by headcount and represent the situation at the end of 2024.

Employee headcount by gender	2024
Male	545
Female	191
Other	0
Not reported	0
Total employees	736

Employee headcount by country	2024
Finland	155
USA	345
Italy	103
Spain	71
Brazil	62

Employee turnover	2024
The total number of employees who have left Suominen	191
Employee turnover rate	26%

Employee headcount by contract type, broken down by gender 2024

	Male	Female	Other	Not reported	Total
Number of employees (headcount)	545	191	0	0	736
Number of permanent employees (headcount)	517	180	0	0	697
Number of temporary employees (headcount)	28	11	0	0	39
Number of non-guaranteed hours employees (headcount)	6	5	0	0	11
Number of full-time employees (headcount)	532	178	0	0	710
Number of part-time employees (headcount)	7	8	0	0	15

Employee headcount by contract type, broken down by region 2024

	Europe	Americas
Number of employees (headcount)	329	407
Number of permanent employees (headcount)	300	397
Number of temporary employees (headcount)	29	10
Number of non-guaranteed hours employees (headcount)	11	0
Number of full-time employees (headcount)	312	398
Number of part-time employees (headcount)	6	9

The employee turnover rate has been calculated by dividing the number of employees who have left Suominen (regardless of reason) with the total headcount. Information regarding the total number of personnel is reported as full-time equivalent (FTE) in our consolidated financial statements, and more detailed human resources data is derived from separately collected statistics. Information can be found in Note 23 of the consolidated financial statements.

Our non-employees

Suominen does not have a significant number of non-employees working at our sites. The Windsor Locks site in Connecticut, USA, is operated jointly with Ahlstrom Oyj (former Ahlstrom-Munksjö Oyj). Ahlstrom is responsible for the H&S management systems at the site and all the blue-collar employees are employed by Ahlstrom. Thus, the blue-collar employees are not considered as Suominen's employees or non-employees and are excluded from metrics. We will define our non-employees in 2025 and report accordingly in the sustainability statement for the financial year 2025.

Diversity

We recognize the business benefits of having a diverse workforce and are committed to offering a fair workplace with equal opportunities for everyone. We do not tolerate any kind of discrimination, including discrimination based on age, gender, religion, or ethnic origin. When making employee-related decisions, for example when recruiting, promoting, rewarding, or developing our personnel, we pay special attention to equality and inclusion.

Diversity of Executive Team	2024	
By age group	**Male (%)**	**Female (%)**
Under 30	0	0
30–50	25	0
Over 50	75	0

Diversity of employees	2024	
By age group	**Male (%)**	**Female (%)**
Under 30	8	3
30–50	37	15
Over 50	29	8

Training and skills development

Career development and identifying and developing the competencies that are essential in reaching our strategic objectives have been identified as areas for improvement in our previous global employee engagement surveys. In 2024, we continued to execute Suominen's competency framework to systematically support our employees in their professional development. The framework also strengthens our processes for recruitment and succession planning and enables the mapping of competencies. We offered trainings to have a good quality development and career aspiration discussions to all our white-collar employees. In addition, we enhanced our competence and leadership capabilities by increasing human resources to build and support both individual and organizational development.

We continued to support the development of our personnel with various development and training programs that the manager and the employee have identified together in their development discussions. Trainings during the year included management trainings and various quality, safety and process trainings for targeted roles. In 2024 we launched a compulsory training path for all white-collar managers, which includes topics such as psychological safety, giving and receiving feedback and coaching essentials. The completion of training path will be followed up during 2025. Additionally, we launched onboarding paths for all white-collar employees and white-collar managers and a supporting eLearning for managers to organize a proper onboarding for new employees.

In 2024, the low percentage of blue-collar female participation in performance and career development reviews was due to low female headcount in production sites.

Performance and career development reviews	2024	
	Male (%)	**Female (%)**
Percentage of employees that participated in regular performance and career development reviews (white-collar)	86	90
Percentage of employees that participated in regular performance and career development reviews (blue-collar)	57	22

Health and safety

The health and safety of Suominen's employees is our key priority. We focus on accident prevention and building a strong safety culture. Safety is one of our key people-related targets, and our aim is to have zero lost time accidents.

Main type of injuries for employees are strains, cuts and bruising and majority are related to hands. Work-related incidents are entered into an internal safety system. Incidents are reviewed in safety and production meetings, depending on site, where corrective actions are discussed, including root causes and corrective actions. Information about incidents is shared across plants to foster pre-emptive actions. Hazards posing a risk for injury are identified as a part of safety walks and safety assessments, which take into consideration severeness and likelihood. Our health & safety management systems are audited at every site on a regular basis.

All of our employees are covered by our health and safety management system. The safety management systems are certified according to the ISO 45001 standard in all of our seven sites (the production area of Windsor Locks site is certified according to ISO 45001 by Ahlstrom).

Health and safety	2024
Percentage of own workers who are covered by health and safety management system	100%
Number of fatalities as a result of work-related injuries	0
Rate of fatalities as a result of work-related injuries	0
Number of high-consequence injuries	0
Rate of high-consequence injuries	0
Number of recordable work-related injuries	25
Rate of recordable work-related injuries	19.2
Lost time accidents (LTA)	4
Rate of lost time accidents (LTA)	3.1
Number of days lost to work-related injuries and fatalities	32

This data represents the situation at the end of 2024. Incident data is collected continuously, using the group-wide accident reporting system covering all Suominen employees.

Compensation

Suominen strives to establish fair and competitive employee compensation in each local market within our global operations to effectively attract, retain, and motivate our talented workforce. The annual total remuneration ratio of our highest paid individual, President & CEO, to the annual total compensation of our median employee (excluding the highest paid individual) was 13.9% in 2024.

Our median employee was identified using Suominen's globally employed personnel (full-time, part-time, temporary, and seasonal employees) employed on December 31, 2024. To identify our median employee compensation, we used Suominen's entire employee population on December 31, 2024, and measured compensation based on base pay, short and long-term incentive bonus payments, taxable benefits, extras, overtime and possible one-time bonuses. Payments paid in foreign currency were converted to EUR based on the exchange rates on December 31, 2024.

Incidents, complaints and severe human rights impacts

According to our Code of Conduct, we do not tolerate any kind of discrimination, including discrimination due to age, gender, religion, ethnic or national origin, sexual orientation, political opinion, disability, or any other characteristic protected under the applicable law. One incident of discrimination was reported during the reporting period. No severe human rights incidents connected to Suominen's workforce occurred in the reporting period.

Incidents and complaints	2024
Number of incidents of discrimination	1
Number of complaints filed through channels for own workers to raise concerns	1
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0
Number of severe human rights cases where undertaking played role securing remedy for those affected	0

Business conduct

Our material impacts, risks and opportunities related to business conduct

SUSTAINABILITY MATTER	NEGATIVE IMPACTS	POSITIVE IMPACTS	RISKS	OPPORTUNITIES
Business conduct		- Promoting sustainability in our corporate culture with Code of Conduct and Sustainability Agenda - Anti-bribery and anti-corruption trainings held regularly - Supplier Code of Conduct and EcoVadis in place - Payment practices negotiated with suppliers - Internal and external whistleblowing channels in place		- Good corporate culture improves reputation - Our sustainability vision attracts more investors

Interaction with strategy and business model

Suominen operates responsibly and consistently throughout the world. We promote responsible operations in our supply chain and in society at large by respecting human rights, minimizing the environmental impact of our own operations and being a good corporate citizen. We adhere to high ethical standards in all our activities. We collaborate with a significant number of stakeholders in multicultural environments every day. We develop our business relationships in a fair and responsible way and strive for transparency in our communication.

We are committed to full compliance with all applicable national and international laws, regulations, and generally accepted practices and refrain from all unfair business practices, such as fraud, corruption, and bribery. Suominen is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, environment, and anti-corruption. We have supported the initiative since 2020.

Suominen is involved with all our material business conduct related impacts through our own activities. These positive impacts are created by following our policies and principles, such as Code of Conduct, Gift, Entertainment and Anti-bribery Policy, SpeakUp Policy, Purchasing Policy and the related internal trainings. Our sustainable sourcing practices, fair payment practices, the use of EcoVadis and our Supplier Code of Conduct promote sustainable business conduct in our value chain creating a positive impact on society.

We didn't identify any material negative impacts related to G1 standard (*Business conduct*). All our material impacts can materialize within a short time horizon.

All our material business conduct-related financial opportunities are related to our business relationships. Good corporate culture and sustainability vision can improve our reputation and increase our attractiveness to employees, customers and investors. We didn't identify any material financial risks related to business conduct.

One of the four themes defined in our Sustainability Agenda for 2020–2025 as well as for 2025–2030 is corporate citizenship. We promote responsible business practices in our operations and supply chain and communicate openly and transparently about our operations. We have set targets related to raw material supplier assessments and promoting sustainability in our own operations.

Policies related to business conduct

Our daily operations are guided by Suominen's Code of Conduct and other policies described below, which are the cornerstones of our fair and sustainable business practices. We promote our corporate culture in our operations and supply chain by respecting human rights and by adhering to high ethical standards in all our activities. We also communicate openly and transparently about our operations and frequently train our employees on our Code of Conduct.

We continue to evaluate and develop our corporate citizenship by reviewing our policies and bringing them to the Board for review and approval every two years. We also monitor our performance in business conduct via the Sustainability Agenda and quarterly compliance reviews.

Code of Conduct

The Code of Conduct sets out Suominen's expectations for doing business responsibly, ethically, and consistently according to our values, our policies, and the law. Among the key issues addressed by the Code of Conduct are fair business practices, financial regulations, human rights, and the environment. The Code has been adopted by Suominen Corporation and its subsidiaries, and it applies to all employees, globally. Our Code of Conduct training is mandatory for all employees, and employees need to retake the course every other year. The CEO of Suominen is accountable for the implementation of the Code of Conduct.

Supplier Code of Conduct

Requirements for Suominen's suppliers are described in the Supplier Code of Conduct, which addresses issues such as human rights, wages and working hours, child labor and forced labor, corruption and bribery, and the environment. As stated in our Supplier Code of Conduct, we expect our suppliers and business partners to understand and comply with all applicable laws and regulations and to apply the same social, legal, and ethical standards as Suominen.

Suominen's Supplier Code of Conduct outlines that suppliers are expected to continuously monitor their compliance with the Code. Suominen may request the supplier to verify its compliance with the Supplier Code through a self-assessment questionnaire, third-party assessment, and/or on-site audit. The supplier shall cooperate with any such requests and audits. The Code also sets out how suppliers and their representatives can report actual or potential misconduct. The reports can be done via the reporting channels set out in the Supplier Code. The VP Sourcing of Suominen is accountable for the implementation of the Supplier Code of Conduct.

Gift, Entertainment and Anti-bribery Policy

The purpose of the Gift, Entertainment and Anti-bribery Policy is to further specify the requirements of our Code of Conduct and provide guidance for compliance with all applicable anti-bribery and anti-corruption laws, and to outline what gifts and entertainment are allowed. The Policy serves as a minimum standard, and compliance with it by all Suominen employees is mandatory at all times. In jurisdictions where local anti-bribery or anti-corruption laws set stricter rules than those set out in the Policy, the stricter rules must prevail. Our Gift, Entertainment and Anti-bribery Policy is in line with the United Nations Convention against Corruption. The General Counsel of Suominen is accountable for the implementation of the Gift, Entertainment and Anti-bribery Policy. We have identified our white-collar employees to be at-risk in respect of corruption and bribery. Due to this, the Anti-Bribery and Corruption e-Learning is mandatory for all white-collar employees.

SpeakUp Policy

The SpeakUp Policy explains how concerns about suspected misconduct regarding any violation of law or severe violation of the Code of Conduct or any supplementing Group policies can be raised in confidence and without fear of retaliation. It outlines the channels for raising concerns of suspected misconduct and the roles and responsibilities within the Group for handling reports of suspected misconduct. The SpeakUp Policy applies to all Suominen employees and is offered in all Suominen local languages. The General Counsel is accountable for the implementation of the SpeakUp Policy.

The Code of Conduct training, which is mandatory for all employees, includes information on how to raise concerns of suspected misconduct. Our Code of Conduct and the SpeakUp Policy allows employees to raise concerns about suspected misconduct through a variety of channels. The channels include the employees' supervisor, HR or other specialist department and the SpeakUp Line. The SpeakUp Line is hosted by an independent third party and is available at all times for raising concerns confidentially and in the employees' own language. The SpeakUp Line enables misconducts and concerns to be reported anonymously.

Review and investigation of concerns are conducted in an independent, fair and unbiased manner with respect to all parties involved, in accordance with relevant laws and principles. Where the identity of the reporting person is known, this will be protected to the extent possible. This means that information about concerns will only be shared with a limited number of people on a strict need-to-know basis. Information will only be disclosed outside this small group if Suominen is required to do so by law or an important public interest is at stake.

All reports coming in through the SpeakUp Line are reviewed by the General Counsel and the CFO (the "Compliance Officers"). The Compliance Officers present a summary of the reports to the Audit Committee quarterly in their regular meetings and report all severe cases immediately to the Chair of the Audit Committee. The Compliance Officers take part in the anti-corruption and bribery training mandatory for all white-collar employees and additional training material is offered by the SpeakUp Line provider.

Suominen has a strict policy of non-retaliation against anyone who raises a compliance concern in good faith. The right of non-retaliation is guaranteed under the Code of Conduct and may be guaranteed also by applicable national laws.

Purchasing Policy

The purpose of the Purchasing Policy is to describe Suominen's principles and roles and responsibilities for sourcing and purchasing of goods and services from third-party suppliers. Following generally accepted and consistent purchasing practices and principles ensures that all purchases are made in an ethical manner and align with Suominen's values and objectives. The Policy applies to all Suominen employees and all sourcing and purchasing at Suominen regardless of the type of goods or services. VP Sourcing of Suominen is accountable for the implementation of the Purchasing Policy.

Targets related to business conduct

As an entity specific disclosure, Suominen discloses its targets and progress related to business conduct. In line with our strategy and business conduct-related policies, our Sustainability Agenda for 2020–2025 as well as for 2025–2030 has set targets and key performance indicators related to our corporate citizenship. The targets relate to our positive impacts of promoting sustainability through our Code of Conduct and management of our supplier relationships. The Sustainability Agendas were formulated based on materiality assessments, which included input from our stakeholders. The targets are set by us voluntarily and are not required by legislation.

Sustainability Agenda 2020–2025

Suominen's target is 100% training coverage of the renewed Code of Conduct within existing employees and new hires. Our second target is that our raw material suppliers are assessed against the Supplier Code of

Progress of business conduct related targets	2019	2020	2021	2022	2023	2024
Code of Conduct training coverage (%)	-	Code of Conduct renewed	82%	95%	94%	92%
Supplier assessment: Raw material suppliers assessed against supplier code (based on risk assessment)	-	Auditing process planning ongoing	Establishing auditing process proceeded as planned	Establishing auditing process proceeded as planned	Process established	Our primary raw material suppliers cover 93% of our raw material purchases (in tons). 91% of the purchased raw material tons from these primary suppliers, comes from suppliers, with a valid EcoVadis ESG assessment in place.

Conduct by 2025. By the end of 2024, 92% of Suominen's employees had completed the Code of Conduct training. Suominen established a supplier sustainability assessment process in 2024. In accordance with the process, all raw material suppliers were invited to complete a sustainability assessment through EcoVadis, and corrective actions are subsequently defined to address any identified issues. Ecovadis sustainability questionnaire consists of four categories: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. In 2024, our primary raw material suppliers covered 93% of our raw material purchases (in tons). 91% of the purchased raw material tons from these primary suppliers, came from suppliers, with a valid EcoVadis ESG assessment in place.

Sustainability Agenda 2025–2030

Our target is that all employees have completed Suominen's sustainability training program by 2030. In addition, our target is that all qualified raw material suppliers have been assessed against Suominen's sustainability criteria by 2030.

Sustainability is the core principle of all our functions. Our goal is to ensure that every employee, regardless of their role or function, understands and contributes to our sustainability objectives. Sustainability is not just a corporate responsibility but a collective effort that requires the active participation of everyone. To achieve this goal, we will provide comprehensive trainings to all our employees to increase the sustainability awareness in our company. The target includes all existing and new employees who have started working for Suominen between Q1 to Q3 of the year reported. Target progression is followed as a relative target, employees who have completed the sustainability training program, compared to total number employees.

By assessing raw material suppliers on their environmental, social, and governance (ESG) practices, Suominen can identify and mitigate potential risks such as harmful environmental practices, unethical labor conditions, or regulatory breaches. Sustainability due diligence is a proactive approach and helps to avoid supply chain disruptions and safeguards the Group's reputation. Moreover, investors, customers, legislators, employees, and other stakeholders are increasingly demanding accountability for social and environmental impacts.

Target progression is followed as a relative target, qualified raw material suppliers who have been assessed against sustainability criteria, compared to the total number of qualified raw material suppliers.

In order to assess our qualified raw material suppliers, we will renew our sustainability due diligence process 2025 onwards. The existing supplier management process is described in the *Raw Material Suppliers* -section.

Management of relationships with suppliers

Procurement is the responsibility of Group functions and more specifically the Sourcing function. The goal is to select business partners carefully and collaborate only with those who conduct business ethically and responsibly and share Suominen's values. Sourcing is guided by Suominen's Purchasing Policy, which covers the sourcing and purchasing of goods and services.

Raw material suppliers are required to sign and comply with Suominen's Supplier Code of Conduct. The purpose of the Supplier Code of Conduct is to explain Suominen's expectations for doing business responsibly and ethically and to set the standards for conducting business with Suominen.

Raw material suppliers

Suominen's current due diligence process for managing sustainable raw material sourcing consists of two elements: country risk assessment and a sustainability questionnaire.

We assess our potential new raw material suppliers with a country risk assessment. The assessment is designed to outline a standardized method for assessing the likelihood that a potential supplier may have insufficient sustainable practices in place to minimize potential risks to Suominen and its stakeholders and so that precautions can be taken to reduce risks. We identify and consider potential hazards and impacts concerning the environment, labor & human rights, and ethics, based on the geographic location and geopolitical and governmental practices.

Every raw material supplier is required to complete trial runs for quality and performance to ensure their raw materials meet or exceed our standards to become a qualified raw material supplier.

All qualified raw material suppliers will be invited and encouraged to participate in an annual sustainability questionnaire with EcoVadis. The resulting scorecard disclosing an overall score is published internally. Quarterly, Suominen monitors supplier scorecards, taking the opportunity to engage with suppliers who score less than the average industry score. In such a case, Suominen will initiate a corrective action plan (CAP) to address unacceptable scores and encourage the supplier to make improvements.

We are going to revisit this sustainability due diligence process for raw material sourcing and develop it further as part of our 2025–2030 Sustainability Agenda.

Prevention of late payments

Suominen has established internal processes related to handling and approval of payments, which are used and updated continuously.

Prevention and detection of corruption and bribery

Suominen is committed to complying with all applicable laws and responsible business practices. Suominen's operations are ethical and transparent, and we expect also our suppliers and business partners to comply with the law and apply the same ethical standards as Suominen.

Suominen's Code of Conduct and Gift, Entertainment and Anti-bribery Policy guide our principles and processes regarding the prevention of corruption and bribery. All employees are expected to be aware of and comply with applicable laws and regulations and are instructed to seek legal advice if in doubt. Any employee who becomes aware of an actual or potential violation of the Code of Conduct has the responsibility to report the matter via the available channels, such as the SpeakUp Line. Every reported suspected misconduct is investigated. Our policies are described in more detail in *Policies related to business conduct*.

Our Code of Conduct training is mandatory for all employees and an e-Learning course on Anti-bribery and Corruption is mandatory for all white-collar employees. 100% of functions-at-risk are covered by these training programs and the training extends to all members of the Executive Management Team. At the end of 2024, 92% of all employees had completed the Code of Conduct training.

We select our business partners carefully and collaborate only with those who conduct business ethically and responsibly. We expect our suppliers and the business partners that act on our behalf to understand and comply with all applicable laws and regulations and to apply the same ethical standards that Suominen practices. Misconduct can be reported by our business partners via the reporting channels set out in the Supplier Code.

Incidents of corruption or bribery

In 2024 there were no identified corruption or bribery cases. There were no convictions or fines for violation of anti-corruption and anti-bribery laws and no actions were taken to address breaches in procedures and standards of anti-corruption and anti-bribery. The numbers include incidents involving actors in our value chain where Suominen or its employees are directly involved.

Incidents of corruption or bribery	2024
Number of incidents of corruption or bribery	0
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines issued for violation of anti-corruption and anti-bribery laws (EUR)	0

Payment practices with suppliers

Suominen follows established and consistent market practices when agreeing on payment terms with its suppliers. Payment terms are determined based on the company's working capital requirements, local market practices, and applicable legislation. The type of contract, delivery terms, and delivery method also influence the determination of payment terms. Suominen strives to comply with the agreed payment terms with suppliers in accordance with its internal payment processes.

The average time it takes for Suominen to pay an invoice from the date when the contractual or statutory term of payment calculation begins was 47 days in 2024.

Suominen is not a party to any legal proceedings currently outstanding for late payments.

Appendix

Content index of disclosure requirements

Content index of disclosure requirements

Table of all the datapoints deriving from other EU legislation:

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1					
Board's gender diversity *Paragraph 21 (d)*	60	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
Percentage of board members who are independent *Paragraph 21 (e)*	60			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4					
Statement on due diligence *Paragraph 30*	62	Indicator number 10 Table #3 of Annex 1			
ERS 2 SBM-1					
Involvement in activities related to fossil fuel activities *Paragraph 40 (d) i*	Not material	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
Involvement in activities related to chemical production *Paragraph 40 (d) ii*	Not material	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
Involvement in activities related to controversial weapons *Paragraph 40 (d) iii*	Not material	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
Involvement in activities related to cultivation and production of tobacco *Paragraph 40 (d) iv*	Not material			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-1					
Transition plan to reach climate neutrality by 2050 *Paragraph 14*	79–80				Regulation (EU) 2021/1119, Article 2(1)
Undertakings excluded from Paris-aligned Benchmarks *Paragraph 16 (g)*	79–80		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	
ESRS E1-4					
GHG emission reduction targets *Paragraph 34*	79–80	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5					
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) *Paragraph 38*	80	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
Energy consumption and mix *Paragraph 37*	80	Indicator number 5 Table #1 of Annex 1			
Energy intensity associated with activities in high climate impact sectors *Paragraph 40 to 43*	81	Indicator number 6 Table #1 of Annex 1			

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-6					
Gross Scope 1, 2, 3 and Total GHG emissions *Paragraph 44*	81–83	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
Gross GHG emissions intensity *Paragraphs 53 to 55*	83	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7					
GHG removals and carbon credits *Paragraph 56*	Not material				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9					
Exposure of the benchmark portfolio to climate-related physical risks *Paragraph 66*	Phased-in disclosure			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
Disaggregation of monetary amounts by acute and chronic physical risk *Paragraph 66 (a)* Location of significant assets at material physical risk *Paragraph 66 (c)*	Phased-in disclosure		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
Breakdown of the carrying value of its real estate assets by energy-efficiency classes *Paragraph 67 (c)*	Phased-in disclosure		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral		
Degree of exposure of the portfolio to climate related opportunities *Paragraph 69*	Phased-in disclosure			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4					
Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil *Paragraph 28*	85	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1					
Water and marine resources *Paragraph 9*	86–87	Indicator number 7 Table #2 of Annex 1			
Dedicated policy *Paragraph 13*	86	Indicator number 8 Table 2 of Annex 1			
Sustainable oceans and seas *Paragraph 14*	Not material	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4					
Total water recycled and reused *Paragraph 28 (c)*	87–88	Indicator number 6.2 Table #2 of Annex 1			
Total water consumption in m^3 per net sales on own operations *Paragraph 29*	88	Indicator number 6.1 Table #2 of Annex 1			

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 IRO-1 E4					
Paragraph 16 (a) i	69	Indicator number 7 Table #1 of Annex 1			
Paragraph 16 (b)	69	Indicator number 10 Table #2 of Annex 1			
Paragraph 16 (c)	69	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2					
Sustainable land / agriculture practices or policies *Paragraph 24 (b)*	Phased-in disclosure	Indicator number 11 Table #2 of Annex 1			
Sustainable oceans / seas practices or policies *Paragraph 24 (c)*	Not material	Indicator number 12 Table #2 of Annex 1			
Policies to address deforestation *Paragraph 24 (d)*	Phased-in disclosure	Indicator number 15 Table #2 of Annex 1			
ESRS E5-5					
Non-recycled waste *Paragraph 37 (d)*	93	Indicator number 13 Table #2 of Annex 1			
Hazardous waste and radioactive waste *Paragraph 39*	93	Indicator number 9 Table #1 of Annex 1			
ESRS 2 SBM-3 S1					
Risk of incidents of forced labour *Paragraph 14 (f)*	94	Indicator number 13 Table #3 of Annex I			
Risk of incidents of child labour *Paragraph 14 (g)*	94	Indicator number 12 Table #3 of Annex I			
ESRS S1-1					
Human rights policy commitments *Paragraph 20*	95	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 *Paragraph 21*	95			Delegated Regulation (EU) 2020/1816, Annex II	
Processes and measures for preventing trafficking in human beings *Paragraph 22*	95	Indicator number 11 Table #3 of Annex I			
Workplace accident prevention policy or management system *Paragraph 23*	99	Indicator number 1 Table #3 of Annex I			

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-3					
Grievance/ complaints handling mechanisms *Paragraph 32 (c)*	102	Indicator number 5 Table #3 of Annex I			
ESRS S1-14					
Number of fatalities and number and rate of work-related accidents *Paragraph 88 (b) and (c)*	99	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
Number of days lost to injuries, accidents, fatalities or illness *Paragraph 88 (e)*	99	Indicator number 3 Table #3 of Annex I			
ESRS S1-16					
Unadjusted gender pay gap *Paragraph 97 (a)*	Phased-in disclosure	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
Excessive CEO pay ratio *Paragraph 97 (b)*	100	Indicator number 8 Table #3 of Annex I			
ESRS S1-17					
Incidents of discrimination *Paragraph 103 (a)*	100	Indicator number 7 Table #3 of Annex I			
Non-respect of UNGPs on Business and Human Rights and OECD *Paragraph 104 (a)*	100	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2 SBM-3 S2					
Significant risk of child labour or forced labour in the value chain *Paragraph 11 (b)*	Phased-in disclosure	Indicators number 12 and n. 13 Table #3 of Annex I			
ESRS S2-1					
Human rights policy commitments *Paragraph 17*	Phased-in disclosure	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
Policies related to value chain workers *Paragraph 18*	Phased-in disclosure	Indicator number 11 and n. 4 Table #3 of Annex 1			
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines *Paragraph 19*	Phased-in disclosure	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 *Paragraph 19*	Phased-in disclosure			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4					
Human rights issues and incidents connected to its upstream and downstream value chain *Paragraph 36*	Phased-in disclosure	Indicator number 14 Table #3 of Annex 1			
ESRS S3-1					
Human rights policy commitments *Paragraph 16*	Not material	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1			
Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines *Paragraph 17*	Not material	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S3-4					
Human rights issues and incidents *Paragraph 36*	Not material	Indicator number 14 Table #3 of Annex 1			
ESRS S4-1					
Policies related to consumers and end-users *Paragraph 16*	Phased-in disclosure	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			
Non-respect of UNGPs on Business and Human Rights and OECD guidelines *Paragraph 17*	Phased-in disclosure	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4					
Human rights issues and incidents *Paragraph 35*	Phased-in disclosure	Indicator number 14 Table #3 of Annex 1			

Disclosure Requirement and related data point	Sustainability statement p.	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS G1-1					
United Nations Convention against Corruption *Paragraph 10 (b)*	102	Indicator number 15 Table #3 of Annex 1			
Protection of whistleblowers *Paragraph 10 (d)*	102	Indicator number 6 Table #3 of Annex 1			
ESRS G1-4					
Fines for violation of anti-corruption and anti-bribery laws *Paragraph 24 (a)*	105	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
Standards of anticorruption and anti-bribery *Paragraph 24 (b)*	104–105	Indicator number 16 Table #3 of Annex 1			

Information on the separate financial statements of the parent company

Key ratios of the parent company

EUR thousand	2024	2023	2022
Net sales	28,363	23,264	22,610
Operating profit/loss	2,357	384	-1,491
% of net sales	8.3	1.7	-6.6
Net financial expenses	10,967	6,712	11,069
Profit/loss before appropriations and income taxes	13,325	7,096	9,578
Profit/loss for the period	8,226	6,017	7,988
Return on invested capital, %	4.3	3.5	1.5
Salaries	-4,382	-4,021	-4,573
Average number of personnel	35	35	31

The separate financial statements of Suominen Corporation have been prepared according to the Finnish Accounting Act, the Accounting Decree and other laws and regulations relating to financial statements (FAS). The consolidated financial statements of Suominen group have been prepared in compliance with the International Financial Reporting Standards (IFRS).

Net sales of Suominen Corporation were EUR 28.4 million (23.3) and operating profit EUR 2.4 million (0.4). Net financial expenses were EUR +11.0 million (+6.7). Profit for the period was EUR 8.2 million (6.0). There are no related party loans except loans to other Suominen group companies.

In the financial year 2024, the parent company had on average 35 (35) employees and at the end of the year 33 (37) employees.

Outlook

Suominen expects that its comparable EBITDA (earnings before interest, taxes, depreciation and amortization) in 2025 will improve from 2024. In 2024, Suominen's comparable EBITDA was EUR 17.0 million.

Proposal by the Board of Directors for the use of the profit

The profit of the financial year 2024 of Suominen Corporation, the parent company of Suominen Group, was EUR 8,226,169.47. The funds distributable as dividends, including the profit for the period, were EUR 18,795,433 and total distributable funds were EUR 94,487,769.

The Board of Directors proposes that no dividend shall be distributed for the financial year 2024 and that the profit shall be transferred to retained earnings.

Events after the reporting period

Commencement of a new plan period in the share-based long-term incentive plan for management and key employees

Suominen announced on January 27, 2025, that the Board of Directors of Suominen Corporation has decided on the commencement of a new long-term incentive plan period covering the years 2025–2027 for management and key employees.

The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees to implement the company's strategy, objectives and long-term interest, and to reward them for high performance.

The performance criteria of the performance period 2025–2027 are tied to Absolute Total Shareholder Return (weight 40%) covering the years 2025–2027, Relative Total Shareholder Return (weight 40%) covering the years 2025–2027, and operative performance and sustainability goal (weight 20%) covering the year 2025 and measuring the company's target to improve its raw material efficiency. The potential rewards from the plan will be paid after the end of the performance period.

The value of the rewards to be paid on the basis of the plan corresponds to a maximum total of 1,375,431 shares of Suominen, including also the proportion to be paid in cash. The target group in the performance period 2025–2027 consists of 28 key employees, including the President & CEO and other members of the Executive Management Team.

The potential reward will be paid partly in Suominen's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the key employee. As a rule, no reward will be paid if the key employee's employment or director contract terminates before the reward payment.

The Executive Management Team member must hold 50% of the received shares until the value of the Executive Management Team member's total shareholding in Suominen equals to 50% of the member's annual gross salary for the calendar year preceding the payment of the reward. Respectively, the President & CEO must hold 50% of the received shares until the value of the President & CEO's total shareholding in Suominen equals to the value of the President & CEO's annual gross salary for the calendar year preceding the payment of the reward. Such number of Suominen shares must be held as long as the membership in the Executive Management Team or the position as the President & CEO continues.

Darryl Fournier appointed as the COO of Suominen

Suominen announced on January 27, 2025, that Darryl Fournier has been appointed as the Chief Operating Officer at Suominen. He became a member of Suominen's Executive Management Team and reports to President & CEO Tommi Björnman. Fournier started in his new position on February 10, 2025.

Proposals of the nomination board to the AGM 2025

The Shareholders' Nomination Board of Suominen Corporation proposes to the Annual General Meeting 2025 that the number of Board members will be increased from six to seven.

The Nomination Board proposes to the Annual General Meeting that Andreas Ahlström, Björn Borgman, Charles Héaulmé, Nina Linander and Laura Remes would be re-elected as members of the Board of Directors and that Gail Ciccione and Maija Joutsenkoski would be elected as new members of the Board of Directors.

Out of the current Board members, Aaron Barsness, has informed that he is not available for re-election to the Board of Directors.

Gail Ciccione (b. 1960, BBA, U.S. citizen) is currently the business owner of Trinity Operations Partner, LLC. Prior to that, she has held a number of executive positions at Laborie Medical Technologies, Becton Dickinson and Kimberly-Clark.

Maija Joutsenkoski (b. 1981, M.Sc. (Technology), Finnish citizen) currently works as an Investment Director at A. Ahlström Corporation. Prior to that, she has held a number of executive and other positions at CapMan Buyout, UPM, Nordic Capital and Goldman Sachs.

All candidates have given their consent to the election. All candidates are independent of the company. All candidates are independent of the company's significant shareholders, with the exceptions of Andreas Ahlström and Maija Joutsenkoski. The largest shareholder of Suominen Corporation, Ahlstrom Capital B.V., is part of the A. Ahlström Group. Andreas Ahlström acts currently as the CEO of Ahlström Invest B.V., which is an associated company of A. Ahlström Group. Maija Joutsenkoski acts as the Investment Director at A. Ahlström Corporation, which is the parent company of Ahlstrom Capital B.V.

The Nomination Board proposes to the Annual General Meeting that Charles Héaulmé would be re-elected as the Chair of the Board of Directors.

With regard to the election procedure for the members of the Board of Directors, the Nomination Board recommends that the shareholders take a position on the proposal as a whole at the Annual General Meeting. In preparing its proposals the Nomination Board, in addition to ensuring that individual board member candidates possess the required competences, has determined that the proposed Board of Directors as a whole has the best possible expertise for the company and that the composition of the Board of Directors meets the other requirements of the Finnish Corporate Governance Code for listed companies.

Proposal on the Board remuneration

The Nomination Board proposes that the remuneration of the Board of Directors remains unchanged and would be as follows: the Chair would be paid an annual fee of EUR 74,000, the Deputy Chair an annual fee of EUR 45,000 and other Board members an annual fee of EUR 35,000. The Nomination Board also proposes that the additional fee paid to the Chair of the Audit Committee would remain unchanged and be EUR 10,000.

Further, the Nomination Board proposes that the fees payable for each Board and Committee meeting would remain unchanged and be as follows: EUR 500 for each meeting held in the home country of the respective member, EUR 1,000 for each meeting held elsewhere than in the home country of the respective member and EUR 500 for each meeting attended by telephone or other electronic means. No fee is paid for decisions made without convening a meeting.

75% of the annual fees is paid in cash and 25% in Suominen Corporation's shares. The shares will be transferred out of the own shares held by the company by the decision of the Board of Directors within two weeks from the date on which the interim report of January–March 2025 of the company is published.

Compensation for expenses will be paid in accordance with the company's valid travel policy.

Consolidated financial statements (IFRS) 2024

Consolidated statement of financial position

EUR thousand

	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Goodwill	5	15,496	15,496
Intangible assets	6	2,754	6,084
Property, plant and equipment	7	120,356	112,727
Right-of-use assets	21	11,003	11,109
Equity instruments	9	421	421
Other non-current receivables	11	158	83
Deferred tax assets	26	2,269	2,048
Total non-current assets		**152,457**	**147,967**
Current assets			
Inventories	10	47,470	37,914
Trade receivables	11	62,477	62,325
Other current receivables	11	6,119	7,345
Assets for current tax	26	514	2,128
Cash and cash equivalents		41,340	58,755
Total current assets		**157,919**	**168,467**
TOTAL ASSETS		**310,376**	**316,434**

	Note	December 31, 2024	December 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	13	11,860	11,860
Share premium account		24,681	24,681
Reserve for invested unrestricted equity		75,692	75,692
Fair value and other reserves		436	316
Exchange differences		3,312	111
Retained earnings		1,626	12,251
Total equity attributable to owners of the parent		**117,608**	**124,912**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	26	7,990	9,362
Liabilities from defined benefit plans	23	189	179
Non-current provisions	15	588	564
Non-current lease liabilities	14	9,277	9,711
Debenture bonds	14	49,606	49,449
Total non-current liabilities		**67,650**	**69,265**
Current liabilities			
Current provisions	15	178	3,870
Current lease liabilities	14	2,877	3,117
Other current interest-bearing liabilities	14	40,000	40,000
Liabilities for current tax	26	214	148
Trade payables and other current liabilities	16	81,849	75,122
Total current liabilities		**125,118**	**122,257**
Total liabilities		**192,768**	**191,522**
TOTAL EQUITY AND LIABILITIES		**310,376**	**316,434**

Consolidated statement of profit or loss

EUR thousand

	Note	January 1 – December 31, 2024	January 1 – December 31, 2023
Net sales	18	**462,318**	**450,851**
Cost of goods sold		-432,589	-428,122
Gross profit		**29,729**	**22,729**
Other operating income	20	4,952	4,802
Sales, marketing and administration expenses		-32,068	-28,497
Research and development expenses		-4,023	-3,851
Other operating expenses	20	152	-2,700
Operating profit		**-1,257**	**-7,517**
Net financial expenses	25	-4,086	-5,987
Profit before income taxes		**-5,343**	**-13,504**
Income taxes	26	53	719
Profit for the period		**-5,290**	**-12,786**
Earnings per share, EUR	28		
Basic		-0.09	-0.22
Diluted		-0.09	-0.22

Consolidated statement of comprehensive income

EUR thousand

	January 1 – December 31, 2024	January 1 – December 31, 2023
Profit for the period	**-5,290**	**-12,786**
Other comprehensive income:		
Other comprehensive income that will be subsequently reclassified to profit or loss:		
Exchange differences	3,949	-2,991
Income taxes related to other comprehensive income	-749	424
Total	**3,201**	**-2,567**
Other comprehensive income that will not be subsequently reclassified to profit or loss:		
Remeasurements of defined benefit plans	-11	-22
Total	**-11**	**-22**
Total other comprehensive income	**3,190**	**-2,589**
Total comprehensive income for the period	**-2,100**	**-15,375**

Consolidated statement of changes in equity

EUR thousand

	Share capital	Share premium account	Reserve for invested unrestricted equity	Exchange differences	Fair value and other reserves	Retained earnings	**Total equity attributable to owners of the parent**
Equity January 1, 2024	**11,860**	**24,681**	**75,692**	**111**	**316**	**12,251**	**124,912**
Profit for the period	–	–	–	–	–	-5,290	-5,290
Other comprehensive income	–	–	–	3,201	–	-11	3,190
Total comprehensive income	**–**	**–**	**–**	**3,201**	**–**	**-5,301**	**-2,100**
Distribution of dividend	–	–	–	–	–	-5,769	-5,769
Share-based payments	–	–	–	–	–	511	511
Conveyance of treasury shares	–	–	–	–	–	54	54
Transfers	–	–	–	–	120	-120	–
Equity December 31, 2024	**11,860**	**24,681**	**75,692**	**3,312**	**436**	**1,626**	**117,608**

	Share capital	Share premium account	Reserve for invested unrestricted equity	Exchange differences	Fair value and other reserves	Retained earnings	**Total equity attributable to owners of the parent**
Equity January 1, 2023	**11,860**	**24,681**	**75,692**	**2,678**	**265**	**30,740**	**145,916**
Profit for the period	–	–	–	–	–	-12,786	-12,786
Other comprehensive income	–	–	–	-2,567	–	-22	-2,589
Total comprehensive income	**–**	**–**	**–**	**-2,567**	**–**	**-12,808**	**-15,375**
Distribution of dividend	–	–	–	–	–	-5,767	-5,767
Share-based payments	–	–	–	–	–	88	88
Conveyance of treasury shares	–	–	–	–	–	49	49
Transfers	–	–	–	–	51	-51	–
Equity December 31, 2023	**11,860**	**24,681**	**75,692**	**111**	**316**	**12,251**	**124,912**

Consolidated statement of cash flows

EUR thousand

	Note	January 1–December 31, 2024	January 1–December 31, 2023
Cash flow from operations			
Profit for the period		-5,290	-12,786
Total adjustments to profit for the period	29	21,244	26,612
Cash flow before changes in net working capital		**15,954**	**13,826**
Change in net working capital		-5,931	25,703
Financial items		-4,975	-4,954
Income taxes		-1,191	-3,851
Cash flow from operations		**3,857**	**30,724**
Cash flow from investments			
Investments in property, plant and equipment and intangible assets		-14,391	-11,062
Sales proceeds from property, plant and equipment and intangible assets		114	36
Cash flow from investments		**-14,277**	**-11,027**
Cash flow from financing			
Drawdown of current interest-bearing liabilities	14	160,000	240,000
Repayment of current interest-bearing liabilities	14	-163,312	-243,271
Distribution of dividend		-5,769	-5,767
Cash flow from financing		**-9,081**	**-9,038**
Change in cash and cash equivalents		**-19,501**	**10,659**
Cash and cash equivalents at the beginning of the period		58,755	49,508
Effect of changes in exchange rates		2,086	-1,412
Change in cash and cash equivalents		-19,501	10,659
Cash and cash equivalents at the end of the period		**41,340**	**58,755**

Notes to the consolidated financial statements

NOTE 1 Material accounting policy information – consolidated financial statements

Basic information

Suominen Corporation is a public limited liability company organized under the laws of the Republic of Finland and domiciled in Helsinki, Finland. Suominen's shares are publicly traded in the Nasdaq Helsinki Ltd. (Mid Cap). Suominen Corporation is the parent company of the Group. The Group manufactures nonwovens mainly for consumer goods companies.

The Board of Directors of Suominen Corporation has in its meeting on March 4, 2025, approved these financial statements to be published. According to the Finnish Limited Liability Companies Act, the shareholders have a possibility to approve or reject or make a decision on altering the financial statements in a General Meeting to be held after the publication of the financial statements.

Basis for presentation

The consolidated financial statements of Suominen Group are prepared in accordance with IFRS Accounting Standards, including International Accounting Standards (IAS) and Interpretations issued by the International Financial Reporting Interpretations Committee (SIC and IFRIC). IFRS Accounting Standards are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The Notes to the Financial Statements are also in accordance with the Finnish Accounting Act and Ordinance and the Finnish Limited Liability Companies Act.

The consolidated financial statements include the financial statements of Suominen Corporation and its subsidiaries. The functional and reporting currency of the parent is euro, which is also the reporting currency of the consolidated financial statements. Functional currencies of subsidiaries are determined by the primary economic environment in which they operate.

The financial year of Suominen Group as well as of the parent and subsidiaries is the calendar year ending December 31.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The figures in Suominen's consolidated financial statements are mainly presented in EUR thousands. Due to rounding differences the figures presented in tables do not necessarily add up to the totals of the tables.

New accounting standards

New or amended accounting standards, annual improvements or interpretations applicable from January 1, 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, applicable from January 1, 2024. The amendment specified the requirements for classifying liabilities as current or non-current, by clarifying for example what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period and that classification is unaffected by the likelihood that an entity will exercise its deferral right.

A company classifies a liability as non-current if it has a right to defer settlement for at least 12 months after the reporting date. The right may be subject to the company complying with conditions (covenants) specified in a loan arrangement. Only covenants that the company must comply with on or before the reporting date are relevant to the classification analysis.

The amendment were to be applied retrospectively and they had no effect on the consolidated financial statements of Suominen.

Other new or amended accounting standards, improvements or annual improvements applicable from

January 1, 2024, or later were not material for Suominen Group.

New and amended IFRS accounting standards and IFRIC interpretations published but mandatory from January 1, 2025, or later:

- Lack of Exchangeability, Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, applicable from January 1, 2025. The amendments specify how an entity should assess whether a currency is exchangeable to another currency and how it should determine a spot exchange rate when exchangeability is lacking. As Suominen conducts business only in currencies which are exchangeable, the amendments have no effect on Suominen.
- Classification and Measurement of Financial Instruments, Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, applicable from January 1, 2026. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

The amendments clarify the derecognition of financial liabilities, how to assess the contractual cash flow characteristics of financial assets that include ESG-linked or similar contingent features and the treatment of non-recourse assets and contractually linked instruments. The amendments also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event, including those that are ESG-linked, and equity instruments classified as fair value through other comprehensive income.

The amendments have no material effect on the notes of equity instruments classified as fair value through other comprehensive income. Suominen's revolving credit facility includes ESG-linked conditions, so the amendment of the accounting standard increases the disclosure information of interest-bearing liabilities.

Otherwise, the amendments have no material effect on Suominen.

- IFRS 18 Presentation and Disclosure in Financial Statements, applicable from January 1, 2027. Also the consequential amendments to other IFRS Accounting Standards due to application of IFRS 18 are effective from January 1, 2027. The standard will be applied retrospectively.

The standard will introduce new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (MPM) in the financial statements and includes new requirements for the location, aggregation and disaggregation of financial information. IFRS 18 will replace IAS 1 Presentation in Financial Statements.

In accordance with the new standard, an entity is required to classify all income and expenses in the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. IFRS 18 also requires an entity to present in its statement of profit or loss subtotals and totals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

IFRS 18 introduces the concept of management-defined performance measures (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements in order to communicate the management's view of the financial performance of the entity. IFRS 18 requires disclosure of information about all the entity's MPMs in a single note to the financial statements and requires several disclosures to be made of each MPM, including the calculation of the MPM as well as reconciliation to the most comparable subtotal specified by IFRS accounting standards.

IFRS 18 also differentiates between presenting information in the primary financial statements and disclosing it in the notes and introduces a principle for determining the location of information based on identified roles of the primary financial statements and the notes. The standard requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. There is also new guidance for determining meaningful descriptions or labels for items that are aggregated in the financial statements.

The application of IFRS 18 will also amend IAS 7 Statement of Cash Flows. The standard amends the starting point of determining cash flows from operations under the indirect method to operating profit or loss. The optionality around classification of cash flows from dividends and interests in the statement of cash flows has also largely been removed.

There are also some consequential changes to other IFRS Accounting Standards, of which the most material to Suominen is the amendment of IAS 34 Interim Financial Reporting, which will require disclosure of MPMs also in the interim reports.

The evaluation of the new standard and the consequential changes to existing standards on Suominen's statement of profit or loss, statement of cash flows and notes is on-going. Although Suominen is currently presenting the operating profit or loss subtotal in its statement of profit or loss, the classification of income and expenses in this category might not be the same as currently. This would also result into a change in items classified in cash flow from operations in the statement of cash flows.

Other new or amended accounting standards, improvements or annual improvements applicable from January 1, 2025, or later are not material for Suominen Group.

Consolidation principles

The consolidated financial statements include the parent and its subsidiaries. Subsidiaries are companies in which the parent has, based on its holding, more than half of the voting rights directly or via its subsidiaries or over which it otherwise has control. The Group has control over an entity when it has a participation in the entity and is exposed to or has right to its variable revenues and can influence the revenues by using its control over the entity.

Divested subsidiaries are included in the consolidated financial statements until the control is lost, and companies acquired during the reporting period are included from the date when the control has been transferred to Suominen. Acquisitions of subsidiaries are accounted for under the acquisition method under which the purchase consideration is allocated to the acquired identifiable assets and liabilities assumed, which are measured at fair value at the acquisition, and the residual is recognized as goodwill. The transaction costs related to a business combination are recognized in profit or loss.

All intra-group transactions are eliminated as part of the consolidation process. Unrealized losses are eliminated only to the extent that there is no evidence of impairment.

Foreign subsidiaries

In the consolidated financial statements, the statements of profit or loss, statements of comprehensive income and statements of cash flows of foreign subsidiaries have been translated into euros using the average exchange rates of the reporting period and the statements of financial positions have been translated using the closing exchange rates at the end of the reporting period.

On the disposal of all or part of a foreign subsidiary, the cumulative amount or proportionate share of the exchange difference is reclassified from equity to profit or loss as a reclassification item in the same period in which the gain or loss on disposal is recognized.

Transactions in foreign currencies and currency differences

In their own day-to-day accounting the Group companies translate transactions in foreign currencies into their own reporting currency at the exchange rates prevailing on the dates of the transactions. At the end of the reporting period, the unsettled balances of foreign currency transactions are measured at the exchange rates prevailing at the end of the reporting period. Foreign exchange gains and losses arising from trade receivables are entered as adjustments of net sales and foreign exchange gains and losses related to trade payables are recorded as adjustments of costs of goods sold. Foreign exchange gains and losses arising from financial items are recorded as financial income and expenses.

The exchange differences arising from translating the statements of profit or loss, statements of comprehensive income and statements of financial position into euro using the different exchange rates are recognized as other comprehensive income and included in equity in cumulative exchange difference. Exchange differences arising from the translation of the net investments in foreign subsidiaries in non-euro area are also recognized in other comprehensive income and included in equity in cumulative exchange differences.

Some loans granted to the subsidiaries are in substance part of a net investment in the subsidiary, as settlement of the loan is not likely to occur in the foreseeable future. The exchange differences arising from those loans are recognized in other comprehensive income and in exchange differences in equity.

Research and development

Expenditure on research and development is recognized in profit or loss. Expenditure on product and process development is not capitalized as no separate assets are developed in the research and development activities or future economic benefits arising from the assets cannot be reliably assessed.

Software-as-a-Service agreements

Suominen recognizes the expenses arising from software-as-a-service (SaaS) arrangements mainly in profit or loss as expenses arising from service contracts. However, if the contract contains a lease, either the whole arrangement or the lease component of the arrangement are recognized in accordance with IFRS 16. If the arrangement provides a resource that Suominen can control, an intangible asset in accordance with IAS 38 will be recognized.

Government grants

When government or other grants are received to compensate for expenses, they are recognized in profit or loss in other operating income in the same periods in which the corresponding expenses are incurred. When the grants are related to assets, the grants are recognized as deferred income and recognized as other operating income during the useful life of the asset.

Related parties

Parties are considered to be related parties if a party is able to exercise control over the other or substantially influence its decision-making concerning its finances and business operations.

Suominen Group's related parties include the parent of the Group (Suominen Corporation) and subsidiaries. In addition, the related parties of Suominen include the members of the Board of Directors, President & CEO and the members of the Executive Team as well as their family members and their controlled companies. In addition, shareholders who have a significant influence in Suominen through share ownership are included in related parties. Suominen has no associated companies or joint ventures.

In its transactions with related parties Suominen follows the same commercial terms as in transactions with third parties.

No loans, guarantees or other collaterals have been given on behalf of related parties, with the exception of the subsidiaries.

Dividends and other distribution of funds

Dividends or other distribution of funds proposed by the Board of Directors are not recognized in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

Audit

Quarterly information as well as interim reports are not audited.

Other accounting principles

Accounting principles related to assets, liabilities and line items in the statement of profit or loss are presented in the disclosure information related to each item.

NOTE 2 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make accounting estimates. Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In developing accounting estimates the management uses judgements or assumptions. Measurement techniques are used in developing an accounting estimate. The techniques can include estimation and valuation techniques.

An accounting estimate may have to be changed if changes occur in the circumstances on which the accounting estimate was based or as a result of new information, new developments or more experience.

The estimates and assumptions affect the reported amounts of assets and liabilities, the amounts of contingent assets and liabilities at the end of the reporting period and the recognized amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

The following items include accounting estimates: impairment testing of assets, especially of goodwill; estimated fair values of property, plant and equipment and intangible assets acquired in an acquisition and their estimated useful lives; useful lives of other intangible assets and property, plant and equipment; measurement of inventories and trade receivables; estimation of expected credit losses of trade receivables; recognition and measurement of deferred taxes and estimates of the amount and probability of provisions.

The carrying amounts of the lease liabilities and right-of-use assets are affected, among other things, by the management's estimates made of the lease terms and possible renewals of the lease agreements.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances.

The direct impact of the war in Ukraine to Suominen's business is minor as Suominen has no customers nor suppliers in Russia, Belarus or Ukraine. Suominen as a company continues to be mostly affected by the indirect economic impacts of the war.

The risks related to climate change are included in Note 5 (Goodwill), Note 7 (Property, plant and equipment) as well as in Note 18 (Revenue from contracts with customers).

Critical accounting estimates and judgements are presented in the disclosure information related to each item.

NOTE 3 Financial risk management

Suominen is exposed to customary financial risks relating to its global businesses such as foreign exchange and interest rate risks, counterparty risks, funding and liquidity risks and refinancing and credit risks. The treasury policy approved by Suominen Corporation's Board of Directors defines the authorities, responsibilities and principles to be followed in the Group. Financial risk management is centralized within Suominen Group Treasury which acts as an in-house bank providing financial services for subsidiaries within the Group. Financial risk management is governed by the treasury policy. The policy includes principles and risk limits relating to debt structure, liquidity, counterparties, bank relations and interest rate and foreign exchange risk management.

In accordance with the treasury policy, the President & CEO approves all major funding operations and the main principles to be followed when hedging financial risks. The CFO is responsible for ensuring that the policy is complied throughout the Group, and for individual financial operations concerning funding, managing liquidity and financial risks.

Foreign exchange risk

Suominen Group operates internationally and is therefore exposed to transaction and translation risks arising from fluctuations in foreign exchange rates which may have an effect on profit or loss and financial position of the Group. Transaction risks mainly arise from cash flows generated by sale of products and purchase of materials used in production. Translation risks arise from converting the statements of profit or loss and the statements of financial position of non-euro subsidiaries as well as other currency-denominated assets and liabilities into the Group's functional currency euro. The aim of the Group's foreign exchange risk management is to hedge earnings from operations and to avoid exchange rate volatility in cash flows, profit or loss and in financial position.

In addition to US dollar, which generates the most significant currency impact on Suominen, also Brazilian real affects the Group's foreign exchange risk.

The foreign exchange transaction exposure comprises of committed and estimated currency cash flows for the next 12 months. The transaction risk arises mainly from the USD transactions in the euro area and in Brazil as well as from euro transactions in the USA and Brazil. The transaction risk related to USD arises both from operational and financial transactions. The exchange rate risks are hedged case by case using both derivatives and terms of sales and purchasing contracts.

Common derivative contracts can be used in hedging to some extent, as their pricing can be verified on the markets. Suominen does not apply hedge accounting in currency hedging for the transaction risks. Changes in fair values of currency hedging instruments are recognized in profit or loss.

The consolidated transaction exposure at the end of the reporting period is presented in the table below:

	Transaction exposure 2024		Transaction exposure 2023	
EUR thousand	12 months' cash flow	Hedged with currency forwards	12 months' cash flow	Hedged with currency forwards
USD/EUR	2,349	–	661	–
EUR/BRL	-732	–	-528	–
USD/BRL	-11,909	–	-8,547	–

Correspondingly, the translation exposure at the end of the reporting period was as follows:

Translation exposure 2024 against EUR

EUR thousand	Internal loan receivables	Cash and cash equivalents and internal interest-bearing liabilities	Equity of foreign subsidiaries	Open currency exposure
BRL	–	2,656	11,339	13,995
USD	62,566	28,310	53,913	144,789

Translation exposure 2023 against EUR

EUR thousand	Internal loan receivables	Cash and cash equivalents and internal interest-bearing liabilities	Equity of foreign subsidiaries	Open currency exposure
BRL	–	3,854	15,604	19,458
USD	58,824	39,915	58,029	156,768

Internal loan receivables consist of loan receivables granted by Suominen Corporation to subsidiaries outside of the euro area. The loan receivables from subsidiaries denominated in USD are in substance equity as the repayment is not anticipated in the foreseeable future. These loan receivables amounted to USD 65.0 million, equaling to EUR 62.6 million at the end of the reporting period. The exchange differences from these loan receivables are recognized in exchange differences in other comprehensive income as they are in substance exchange differences arising from equity. Exchange rate differences arising from other internal and external interest-bearing liabilities are recognized in profit or loss.

Sensitivity analysis of financial instruments

IFRS requires disclosing ä sensitivity analysis of financial instruments. In the sensitivity analysis in the table on the following page, the financial instruments include intra-group currency denominated loan receivables. Sensitivities of the currency rates at the end of the reporting period are estimated based on the actual volatility of the currencies over the past 12 months. The exchange rate sensitivity is calculated for the following 12 months by using the rates at the end of the reporting period. The change in the exchange rate is the change of the euro rate against the US dollar rate.

2024

EUR thousand	Currency strengthens %	A. Effect on profit after tax	B. Effect on equity after tax (excluding A)	Currency weakens %	A. Effect on profit after tax	B. Effect on equity after tax (excluding A)
USD/EUR	6.2	–	3,077	-6.2	–	-3,077

2023

EUR thousand	Currency strengthens %	A. Effect on profit after tax	B. Effect on equity after tax (excluding A)	Currency weakens %	A. Effect on profit after tax	B. Effect on equity after tax (excluding A)
USD/EUR	7.4	–	3,457	-7.4	–	-3,457

Sensitivity analysis of net currency flows

The management has assessed the sensitivity of the estimated net currency cash flows for 12 months. If hedging instruments are in use, the compensating effect of the hedging instruments is taken into account. The net effect from the change in the USD exchange rate on profit after taxes in 2024 is estimated to be EUR + / - 115 thousand (EUR - / + 39 thousand). Sensitivities of exchange rates at the end of the reporting period are estimated based on the actual volatility of the currencies over the past 12 months. The exchange rate sensitivity is calculated for the following 12 months by using the currency rates at the end of the reporting period.

2024

EUR thousand	Currency strengthens / weakens %	Effect on 12 months' currency cash flow	Effect on hedging instruments	Net effect after tax
USD/EUR	+6 / -6	+144 / -144	–	+115 / -115

Interest rate risk

Suominen is exposed to interest rate risk when it funds its operations with euro or currency denominated debt. The risk arises from the repricing of floating rate debt and with the raising of new floating rate debt. A fixed rate debt is subject to fair value risk. The aim of the interest rate risk management is to bring predictability to interest expenses by keeping the duration within the agreed limits with an optimal mix of fixed and floating rate debt. Suominen's loan portfolio can comprise both floating and fixed interest rate loans. The loans drawn from the revolving credit facility are floating rate loans. Suominen's Board of Directors has determined the interest rate structure of the loan portfolio and the range in which it can vary. The average interest duration can vary between 12 and 48 months. At the end of 2024, the duration excluding the lease liabilities was 17 months (24 months in 2023).

At the end of the reporting period the carrying amount of the Group's loans with fixed interest rates was EUR 49.6 million (EUR 49.4 million) and EUR 40.0 million (EUR 40.0 million) with floating interest rates. Lease liabilities were EUR 12.2 million (EUR 12.8 million).

The sensitivity of interest rate risk is calculated as the effect of a 0.5 percentage point shift in the interest rate curve during one year on floating interest rate loans.

2024

EUR thousand	Change in interest rate, percentage points	Effect on profit after tax
Floating rate loans	+0.5 / -0.5	-160 / +160

At the end of the reporting period the cash and cash equivalents of the Group were EUR 41.3 million (EUR 58.8 million). Cash and cash equivalents have not been included in the sensitivity analysis.

Credit risk

The most significant individual credit risks relate to trade receivables from international companies mainly with high credit ratings. The credit policy approved by the Board of Directors governs the principles to be followed when granting credit to customers and the responsibilities of the organization in this area. Credit is granted to customers after a credit approval process has been completed. The credit exposure of customers is reported at least once a month to the persons responsible for sales. Expected credit losses of trade receivables recognized in profit or loss totaled EUR +285 thousand in 2024 (EUR -120 thousand). The ageing structure of the trade receivables is disclosed in Note 11 to the consolidated financial statements. The maximum credit risk arising from trade receivables equals the carrying amount of the trade receivables. The determination of the credit risk related to trade receivables is disclosed in Note 11.

The direct impact of the war in Ukraine to Suominen's business is minor as Suominen has no customers in Russia, Belarus or Ukraine.

The Group has agreed on a supply chain financing program which covers one fifth of the sales at the end of the reporting period. In accordance with the supply chain financing agreement, the Group has transferred the rights and responsibilities of these receivables to the counterparty of the agreement.

The Board of Directors of Suominen has approved a counterpart list of companies and financial institutions with good credit ratings. These companies are allowed counterparts in investment activities and derivative contracts. The amount which can be invested in a single counterpart is capped. Liquid funds can be invested with reputable banks with sufficient credit ratings or in commercial papers offering high liquidity and credit ratings. The Group's maximum exposure to credit risk equals to carrying amount of financial assets at the end of the reporting period.

Liquidity and refinancing risk

Suominen aims to use different sources of funding. With its house banks Suominen has long and trustworthy relations and acquires advisory and other services from them. Refinancing risk is managed by diversifying loan maturities.

Suominen entered in July 2020 into a new single-currency syndicated revolving credit facility agreement of EUR 100 million with a maturity of three years. The lenders for the facility are Danske Bank A/S, Finland Branch and Nordea. In March 2024, Suominen announced that it has extended by one year the maturity this syndicated revolving credit facility agreement. The maturity of the facility is now extended to July 2026.

The credit facility includes leverage ratio and gearing as financial covenants. The margin of the facility will increase or decrease dependent on Suominen meeting two sustainability key performance indicators, namely increase in the sales of sustainable products and reduction of greenhouse gas emissions.

In June 2021, Suominen issued a senior unsecured bond of EUR 50 million. The six-year bond matures on June 11, 2027, and it carries a coupon interest of 1.50%. The bond is listed on the official list of Nasdaq Helsinki Ltd.

The average maturity of the committed facility agreements was 1.5 years (1.5 years) at the end of the reporting period. At the end of the reporting period the unused revolving credit facility was EUR 57 million.

Suominen Group Treasury has established several cash pooling structures with Group's house banks in order to manage the liquidity of the Group.

The maturity of financial liabilities is presented as undiscounted cash flows in the following table. The table includes both interest payments and repayments of capital.

Maturity analysis of financial liabilities 2024

EUR thousand			Falling due				
Financial liabilities	Carrying amount	Contractual cash flows	Less than 6 months	6–12 months	1–2 years	2–5 years	After 5 years
Debentures	49,606	52,250	750	–	750	50,750	–
Lease liabilities	12,154	13,844	1,766	1,727	3,252	5,297	1,802
Other interest-bearing liabilities	40,000	40,556	40,556	–	–	–	–
Other financial liabilities	120	120	120	–	–	–	–
Trade payables	67,654	67,654	67,654		–	–	–
Total	**169,534**	**174,424**	**110,847**	**1,727**	**4,002**	**56,047**	**1,802**

Maturity analysis of leasing obligations arising from operative leasing contracts is disclosed in Note 21.

		Falling due			
Contingent liabilities	Total	Less than 6 months	6–12 months	1–2 years	2–5 years
Guarantees	1,921	–	–	114	1,807
Commitments to leases not yet commenced	274	23	23	91	137
Contractual commitments to acquire property, plant and equipment	11,267	6,370	4,898	–	–
Total	**13,462**	**6,393**	**4,920**	**205**	**1,944**

Maturity analysis of financial liabilities 2023

EUR thousand

Financial liabilities	Carrying amount	Contractual cash flows	Falling due: Less than 6 months	6–12 months	1–2 years	2–5 years	More than 5 years
Debentures	49,449	53,000	750	–	750	51,500	–
Lease liabilities	12,828	14,845	1,966	1,799	2,719	6,061	2,298
Other interest-bearing liabilities	40,000	40,732	40,732	–	–	–	–
Other financial liabilities	330	330	330	–	–	–	–
Trade payables	60,343	60,343	60,265	77	–	–	–
Total	**162,951**	**169,249**	**104,044**	**1,877**	**3,469**	**57,561**	**2,298**

Maturity analysis of leasing obligations arising from operative leasing contracts is disclosed in Note 21.

Contingent liabilities	Total	Falling due: Less than 6 months	6–12 months	1–2 years	2–5 years
Guarantees	2,440	–	–	163	2,278
Commitments to leases not yet commenced	1,485	158	89	203	1,035
Contractual commitments to acquire property, plant and equipment	1,368	1,368	–	–	–
Total	**5,293**	**1,526**	**89**	**365**	**3,313**

NOTE 4 Management of capital

Suominen's management of capital aims to support business activities by ensuring the conditions to operate by means of the Group's financial position and capital structure. In addition, the aim is to increase the shareholder value by targeting at a competitive return on invested capital. The capital structure must ensure the debt financing of the Group. In the capital management planning process both current and future needs of the business are taken into consideration together with securing the competitive pricing of financing.

With respect to the capital structure the Board of Directors of Suominen monitors equity ratio, gearing, and leverage ratio. Equity ratio is calculated as the ratio of equity to the total assets adjusted with advance payments received. Gearing is calculated as the ratio of interest-bearing net debt to equity. Leverage ratio is calculated as the ratio of interest-bearing net debt to EBITDA.

The capital structure can be influenced by distributing dividends or other funds and share issues. If there is a need, the Group can buy back own shares or issue new shares as authorized by the general meetings, or decide to sell assets or businesses to reduce liabilities.

At the end of 2024, the Group's equity ratio was 37.9% (39.5%) and gearing was 51.7% (35.3%).

Suominen participates in the Supply Chain Financing programs of certain customers. Under the programs the customers' trade receivables are sold on a non-recourse basis. The programs release capital employed.

The funding is managed by maintaining good relations with the financial institutions.

Suominen plans to cover the loan amortization needs with its cash flow from operations.

The Group's loan agreements include covenant terms which are linked to consolidated key figures. The credit facility includes leverage ratio and gearing as financial covenants. If the covenant terms are not fulfilled, negotiations with the lenders will be initiated.

Interest-bearing liabilities of Suominen are presented in Note 14 of the consolidated financial statements.

Equity ratio and gearing at the end of the reporting period

EUR million	2024	2023	**Reference**
Nominal value of interest-bearing liabilities	102.2	102.8	Note 14
Cash and cash equivalents	-41.3	-58.8	Consolidated statement of financial position
Interest-bearing net debt	**60.8**	**44.1**	
Total equity attributable to owners of the parent	117.6	124.9	
Assets total - advances received	310.3	316.3	
Gearing, %	51.7	35.3	
Equity ratio, %	37.9	39.5	

NOTE 5 Goodwill

EUR thousand

Impairment testing of goodwill

The carrying amount of goodwill is tested at least annually for impairment. If the impairment testing indicates, that the recoverable amount of the cash generating unit which includes goodwill is lower than its carrying amount, an impairment loss of goodwill and of other assets, if applicable, is recognized in the statement of profit or loss. The impairment loss of goodwill will not be reversed during subsequent reporting periods.

In impairment testing the recoverable amount for the cash generating unit is determined as the value in use. Value in use comprises the discounted projected future cash flows. Projected cash flows are based on actual performance, annual plans as well as five-year forecasts based on the Group's strategy. The main assumptions of forecasts are always reviewed during the impairment testing. Cash flows in the period beyond the five-year forecasted period are extrapolated using the growth rates for Suominen's business. The key assumptions used in the value in use are sales trend of the cash-generating unit, the profitability of the business, expense levels and the discount rate used.

The replacement investments needed for maintaining the existing production capacity have been estimated based on the planned depreciation during the useful lives of each asset in the cash-generating unit. Replacement investments include also renewals of lease contracts. In addition, growth investments, which are already on-going, are included as investments in the impairment testing.

In accordance with its strategy, Suominen aims to grow by creating innovative and more sustainable nonwovens for the customers and aims to improve profitability through more efficient operations and a high performance culture. The main focus is on wipes.

The comparable financial performance of Suominen in 2024 has slightly increased from 2023 mainly due to the improved sales margins. Going forward, sales volumes are expected to increase mainly in the US driven by the market demand. In EMEA, sales volumes are expected to increase mainly driven by the new Alicante production line ramp-up from 2026 onwards. Comparable EBITDA is expected to increase driven by improved raw material efficiency, more favorable product mix and pricing activities.

Fixed costs are assumed to increase from 2024 level mainly due to inflation. Headcount increases are mainly related to the new production line in Alicante.

The annual growth rate for Suominen's net sales during the period covered by the forecast (2025–2029) has been estimated at 3.8%. The estimated growth rate has increased from the previous year as sales volumes and sales prices are expected to increase.

Annual terminal growth rate (2.0%) is assumed to equal overall inflation development.

The discount rate has been determined by using a capital structure, which is considered to reflect the long-term capital structure at the time of the impairment test. In this determination Suominen has used a peer group, whose capital structure has an average debt to equity ratio of 37.7%. The lease liabilities in the statement of financial position have been taken into account in the calculation of the discount rate. Cost of capital has been calculated as a weighted average pre-tax rate for equity and debt and taking into the consideration the risk-free rate and risk margins of equity and debt respectively. The components of the cost of capital are revised annually. Discount rate used in the calculation is the weighted average of the risk-free 30-year government bond rates in the countries where Suominen operates, or if these rates have not been available, the average of 10-year government bonds has been used. The used discount rate has decreased from the previous year as the interest rates overall have decreased.

Impairment testing is based on present estimates of future development at the time of the impairment testing. The uncertainty in measuring the values in use is captured by analyzing variations in the amount or timing of cash flows. The element of uncertainty and risk has been accounted for in the discount rates.

Based on the impairment testing, the goodwill of Suominen is not impaired.

When performing impairment testing, not only the carrying amount of goodwill is included in the tested carrying amount but also the carrying amount of property, plant and equipment and right-of-use assets as well as net working capital. If the pre-tax discount rate would increase by 2.472 percentage points or the annual terminal operating profit percentage would decrease by 1.565 percentage points, other assumptions unchanged, the recoverable amount would equal the carrying amount.

The critical assumptions in impairment testing

	2024	2023
Pre-tax discount rate	10.5%	11.7%
Growth in net sales 2025–2029 (2024–2028)	3.8%	2.3%
Annual terminal growth rate	2.0%	2.0%
Annual terminal operating profit percentage	5.1%	5.7%

Accounting principles

Goodwill represents the excess of the purchase consideration over the fair value of acquired net assets. Goodwill is allocated to those cash generating units which benefit from the acquired net assets as well as from synergies arising from the acquisition.

At the end of the reporting period, the carrying amount of goodwill was EUR 15,496 thousand (EUR 15,496 thousand in 2023). The Group has one operating segment (Nonwovens), which is also a cash generating unit to which goodwill has been allocated in its entirety.

Critical accounting estimates and judgements

Goodwill is tested annually for possible impairment. The recoverable amounts have been determined based on the assets' value in use which require the use of estimates. The actual cash flows can differ from estimated discounted future cash flows. Uncertainties related to the projected future cash flows include, among others, the long economic useful lives of the assets, the estimated sales prices, production costs and changes in discount rate used in testing.

Potential adverse extreme effects from the climate change (such as water shortages, heat waves, increased rainfall, flooding, storms) on Suominen have been considered in the testing, but so far these are seen to have only a temporary effect to Suominen's business performance and hence no material impacts have been included in the cash flow estimates used in testing. The management follows these risks and their development.

NOTE 6 Intangible assets

EUR thousand

	Intangible rights	Goodwill	Other intangible assets	Advance payments and assets under construction	Total 2024
Acquisition cost January 1	**22,640**	**15,496**	**6,757**	**36**	**44,929**
Exchange difference	-3	–	62	–	59
Additions	78	–	–	32	109
Decreases and disposals	-2,835	–	-6,739	–	-9,574
Reclassifications	6	–	–	-6	–
Acquisition cost December 31	**19,886**	**15,496**	**80**	**62**	**35,524**
Accumulated amortization and impairment losses January 1	**-17,103**	**–**	**-6,247**	**–**	**-23,350**
Exchange difference	2	–	-61	–	-59
Amortization for the reporting period	-3,008	–	-431	–	-3,439
Decreases and disposals	2,835	–	6,739	–	9,574
Accumulated amortization and impairment losses December 31	**-17,274**	**–**	**–**	**–**	**-17,274**
Carrying amount December 31	**2,612**	**15,496**	**80**	**62**	**18,250**

	Intangible rights	Goodwill	Other intangible assets	Advance payments and assets under construction	Total 2023
Acquisition cost January 1	**22,958**	**15,496**	**7,192**	**–**	**45,646**
Exchange difference	-1	–	-35	–	-36
Additions	103	–	–	66	169
Decreases and disposals	-449	–	-400	–	-850
Reclassifications	30	–	–	-30	–
Acquisition cost December 31	**22,640**	**15,496**	**6,757**	**36**	**44,929**
Accumulated amortization and impairment losses January 1	**-14,316**	**–**	**-6,125**	**–**	**-20,441**
Exchange difference	1	–	32	–	33
Amortization for the reporting period	-3,238	–	-554	–	-3,792
Decreases and disposals	449	–	400	–	850
Accumulated amortization and impairment losses December 31	**-17,103**	**–**	**-6,247**	**–**	**-23,350**
Carrying amount December 31	**5,538**	**15,496**	**509**	**36**	**21,580**

Accounting principles

Intangible rights include patents, trademarks, software licences as well as customer relations, which were identifiable assets at the business combination and are measured at fair value at the acquisition date. Other intangible assets are development and other costs which are directly attributable to the design and testing of identifiable and unique software or similar intangible assets. If an intangible asset is a qualifying asset as defined in IAS 23, i.e. an asset that necessarily takes a substantial period of time to get ready, the borrowing costs are capitalized into the initial acquisition cost of the asset.

Subsequent expenditure on intangible assets is capitalized only if the future economic benefits from the asset exceed the initially planned level. Otherwise the expenditure is recognized as an expense in the statement of profit or loss.

Intangible rights and other intangible assets are recognized in the statement of financial position at their initial acquisition cost less cumulative amortization and impairment losses, if any. They are amortized using planned straight-line amortization during of their estimated useful lives. Intangible assets from acquisition of a subsidiary are stated at their fair values at the date of the acquisition.

Suominen has no other intangible assets than goodwill which have indefinite useful life. Goodwill and intangible assets not yet available for use are tested annually for impairment. Disclosure information of goodwill is presented in Note 5 of the consolidated financial statements.

Other intangible assets are tested for impairment if there are indications that the asset may be impaired. Impairment testing is described in Note 24 of the consolidated financial statements.

Amortization periods for intangible assets

Goodwill	no amortization
Intangible rights	3–13 years
Customer relations	13 years
Other intangible assets	5–10 years
Advance payments and assets under construction	no amortization

Critical accounting estimates and judgements

If there is indication of impairment, the carrying amounts of intangible assets are compared with their recoverable amounts. The recoverable amount is the higher of fair value and value in use. Value in use is calculated by discounting the future cash flows arising from the the asset. If the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognized. Both the amounts and timing of the cash flows are based on management estimates.

Useful lives of intangible assets are based on management’s best estimate of the period the asset is expected to be available for use by Suominen. The actual useful life can, however, differ from the expected useful life resulting in adjustment of annual amortization of the asset or in recognizing of an impairment loss.

NOTE 7 Property, plant and equipment

EUR thousand

	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and assets under construction	Total 2024
Acquisition cost January 1	**3,097**	**64,143**	**241,895**	**2,077**	**9,138**	**320,350**
Exchange difference	-167	1,551	8,765	–	102	10,250
Additions	–	101	1,145	1	14,360	15,607
Capitalized borrowing costs	–	–	–	–	287	287
Decreases and disposals	–	-99	-1,398	-13	–	-1,509
Reclassifications	–	1,331	4,685	365	-6,382	–
Acquisition cost December 31	**2,930**	**67,028**	**255,091**	**2,430**	**17,506**	**344,986**
Accumulated depreciation and impairment losses January 1	**–**	**-44,136**	**-162,730**	**-759**	**–**	**-207,623**
Exchange difference	–	-704	-5,727	0	–	-6,431
Decreases and disposals	–	99	1,396	13	–	1,507
Depreciation for the reporting period	–	-2,258	-9,623	-201	–	-12,083
Accumulated depreciation and impairment losses December 31	**–**	**-47,000**	**-176,684**	**-947**	**–**	**-224,630**
Carrying amount December 31	**2,930**	**20,029**	**78,408**	**1,483**	**17,506**	**120,356**

	Land	Buildings and constructions	Machinery and equipment	Other tangible assets	Advance payments and assets under construction	Total 2023
Acquisition cost January 1	**3,069**	**64,656**	**251,178**	**2,047**	**5,533**	**326,483**
Exchange difference	29	-1,007	-5,295	–	-95	-6,369
Additions	–	210	645	–	10,080	10,936
Capitalized borrowing costs	–	–	–	–	118	118
Decreases and disposals	–	-13	-10,155	-650	–	-10,818
Reclassifications	–	297	5,522	679	-6,498	–
Acquisition cost December 31	**3,097**	**64,143**	**241,895**	**2,077**	**9,138**	**320,350**
Accumulated depreciation and impairment losses January 1	**–**	**-42,232**	**-166,196**	**-1,283**	**-578**	**-210,288**
Exchange difference	–	433	3,426	–	–	3,859
Decreases and disposals	–	13	10,155	650	–	10,818
Depreciation for the reporting period	–	-2,350	-9,528	-126	–	-12,004
Impairment losses	–	–	-8	–	–	-8
Reclassifications	–	–	-578	–	578	–
Accumulated depreciation and impairment losses December 31	**–**	**-44,136**	**-162,730**	**-759**	**–**	**-207,623**
Carrying amount December 31	**3,097**	**20,008**	**79,166**	**1,318**	**9,138**	**112,727**

	2024	2023
Carrying amount of production machinery and equipment	77,645	78,443

Carrying amount of production machinery and equipment
Contractual commitments to acquire property, plant and equipment are presented in Note 31.
Right-of-use assets are presented in Note 21.
Depreciation and impairment losses are disclosed in Note 24.

Accounting principles

Property, plant and equipment consist mainly of land, buildings and structures as well as of machinery and equipment. They are recognized in the statement of financial position at their acquisition cost less cumulative depreciation and impairment losses, if any. When an asset consists of major components with different useful lives, they are accounted for as separate items. Assets from acquisition of a subsidiary are stated at their fair values at the date of the acquisition.

When part of an asset in property, plant and equipment is replaced, the cost of the replacement is capitalized and the eventual remaining carrying amount of the replaced asset is derecognized. Other subsequent expenditure is capitalized only if the future economic benefits to the company from the asset are enhanced. Ordinary maintenance and repair charges are expensed as incurred.

Borrowing costs are capitalized as part of the acquisition cost of property, plant and equipment if the assets are qualifying assets as defined in IAS 23 Borrowing Costs.

Depreciation is recognized on a straight-line basis over expected useful lives. Depreciation begins when the asset is available for its intended use. Land is not depreciated since it is deemed to have indefinite useful life.

Propert, plant and equipment are tested for impairment if there are indications that the asset may be impaired. Impairment testing is described in Note 24 of the consolidated financial statements.

Gains and losses from the sales and disposals of property, plant and equipment are determined as a difference between the sales price and the carrying amount of the asset and they are recognized as other operating income or expenses.

Depreciation periods for property, plant and equipment

Land	no depreciation
Buildings and constructions	10–40 years
Machinery and equipment	4–20 years
Other tangible assets	3–5 years
Advance payments and assets under construction	no depreciation

Critical accounting estimates and judgements

If there is indication of impairment, the carrying amounts of property, plant and equipment are compared with their recoverable amounts. The recoverable amount is the higher of fair value and value in use. Value in use is calculated by discounting the future cash flows arising from the the asset. If the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognized. Both the amounts and timing of the cash flows are based on management estimates.

Useful lives of property, plant and equipment are based on management's best estimate of the period the asset is expected to be available for use by Suominen. The actual useful life can, however, differ from the expected useful life resulting in adjustment of annual depreciation of the asset or in recognizing of an impairment loss.

The customer demand for nonwovens has shifted more and more to sustainable nonwovens not containing plastic and which are made of plant-based fibers. In addition, also legislation directs the transition into plastic-free and sustainable nonwovens. Suominen has already for years put effort in the R&D on developing sustainable nonwovens by researching the use of new, potential raw materials as well as the biodegradability of the raw materials.

Suominen follows the technical capabilities of its production lines and aims to ensure the ability of the lines to produce these sustainable nonwovens by continuously investing in the production lines, and is thus improving its ability to meet the customer demand and requirements set by legislation. With these investments Suominen aims to prevent the production lines to become technologically obsolete due to customer demand and the useful lives of the lines to shorten from the initial estimates.

Potential adverse extreme effects from the climate change (such as water shortages, heat waves, increased rainfall, flooding, storms) on Suominen have been considered for example in estimating the carrying amounts of property, plant and equipment as well as their useful lives, but so far these are seen to have only a temporary effect to Suominen's business performance and hence there are no material impacts on the carrying amounts or depreciation periods of property, plant and equipment. The management follows these risks and their development.

NOTE 8 Group companies

Company	Domicile	Ownership, %	Owned by parent company
Suominen Corporation	Helsinki, Finland		
Suominen Nonwovens Ltd.	Nakkila, Finland	100%	x
Mozzate Nonwovens S.r.l.	Mozzate, Italy*	100%	x
Cressa Nonwovens S.r.l.	Mozzate, Italy*	100%	
Alicante Nonwovens S.A.U.	Alicante, Spain	100%	x
Suominen US Holding, Inc.	Delaware, USA	100%	x
Bethune Nonwovens, Inc.	Bethune, South Carolina, USA	100%	
Green Bay Nonwovens, Inc.	Green Bay, Wisconsin, USA	100%	
Windsor Locks Nonwovens, Inc.	Windsor Locks, Connecticut, USA	100%	
Suominen Brasil Indústria e Comercio de Não-Tecidos Ltda.	Paulínia, Brazil	100%	x

* From January 2025: Gallarate, Italy

NOTE 9 Equity instruments

EUR thousand

	Designated at fair value through other comprehensive income	Total 2024
Carrying amount January 1	**421**	**421**
Carrying amount December 31	**421**	**421**

	Designated at fair value through other comprehensive income	Total 2023
Carrying amount January 1	**421**	**421**
Carrying amount December 31	**421**	**421**

Accounting principles

For investments in equity instruments, ie. shares, IFRS 9 enables the entity to make an irrevocable election of classification and measurement by equity instrument.

The equity instruments consist of unlisted shares and they are classified at fair value through other comprehensive income, and both the fair value changes and the possible gains and losses on disposal are recognized in other comprehensive income without subsequent recycling to profit or loss. Other equity instruments are not material items in the consolidated financial statements of Suominen.

If there is no active market for the equity instruiment or if the securities are not listed, the Group measures fair value with valuation techniques. If there is no asset-specific data available from transactions between independent parties, the fair values used for the asset is for example the present value of discounted cash flows arising from the asset or fair values other instruments which are substantially identical than the asset.

NOTE 10 Inventories

EUR thousand

	2024	2023
Inventories		
Raw materials and consumables	28,960	23,957
Work in progress	3,526	3,123
Finished goods	14,832	10,804
Advance payments for inventory	152	30
Total inventories	**47,470**	**37,914**
Write-down of inventory	-4,780	-6,424
Reversals of write-down of inventory	6,209	6,934
Inventories recognized as expense during the period	-355,127	-353,584

Accounting principles

Cost of inventories is measured using the FIFO (first-in-first-out) principle or weighted average cost. The value of inventory includes all direct and indirect costs associated with purchase. The cost of manufactured products includes the cost of materials, direct labour and other direct costs, including general manufacturing overheads. The cost of inventories excludes sales, administration and financing costs. Borrowing costs are not capitalized in inventory.

Inventories are valued at the lower of cost and the probable net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Obsolete items in inventories are written down.

Inventories recognized as expense during the period are included in cost of goods sold in the statement of profit or loss.

Critical accounting estimates and judgements

Measurement of inventories includes some management estimates. Inventories are measured at lower of cost and net realizable value. Net realizable value is used in testing the recoverable amount of inventories in order to avoid the inventories being carried in excess of the amount expected to be realized from their sale or use.

NOTE 11 Trade and other receivables

EUR thousand

	2024	2023
Non-current receivables		
Other non-current receivables	158	83
Total non-current receivables	**158**	**83**
Current receivables		
Trade receivables	62,477	62,325
Other current receivables	3,181	4,116
Prepaid expenses and accrued income	2,937	3,229
Total current receivables	**68,595**	**69,670**

Ageing analysis of trade receivables and credit risk exposure

Trade receivables December 31, 2024

		Past due					
	Current	< 5 days	5–30 days	31–120 days	> 120 days	Total past due	**Total**
Trade receivables	58,305	1,558	2,335	306	1,525	5,724	**64,029**
Allowance for expected credit losses	–	–	-1	-84	-1,468	-1,552	**-1,552**
Carrying amount of trade receivables	**58,305**	**1,558**	**2,335**	**223**	**57**	**4,172**	**62,477**

Trade receivables December 31, 2023

		Past due					
	Current	< 5 days	5–30 days	31–120 days	> 120 days	Total past due	**Total**
Trade receivables	56,243	3,068	2,126	329	2,357	7,880	**64,123**
Allowance for expected credit losses	–	–	–	-131	-1,666	-1,798	**-1,798**
Carrying amount of trade receivables	**56,243**	**3,068**	**2,126**	**197**	**691**	**6,082**	**62,325**

Expected credit losses of trade receivables and changes in the allowance for expected credit losses of trade receivables

	2024	2023
Allowance for expected credit losses January 1	**-1,798**	**-2,117**
Exchange difference	-55	23
Realized	–	414
Reversed	880	417
Charge for the year	-579	-535
Allowance for expected credit losses December 31	**-1,552**	**-1,798**
Expected credit losses of trade receivables recognized during the period, net	285	-120

Currency analysis of trade receivables

EUR	27,150	28,527
USD	30,421	27,404
BRL	4,906	6,394
Total	**62,477**	**62,325**

Prepaid expenses and accrued income consist mainly of accruals of financial items and other accruals related to expenses. Other receivables, both non-current and current, include, among others, receivables related to indirect taxes.

Credit quality of other receivables is based on the debtors' payment history. Other receivables are not past due nor impaired. The carrying amount of other receivables equals the maximum exposure to credit risk.

Suominen has with a "selected supplier" status a Supply Chain Financing Program with certain customers. In accordance with the program, trade receivables are sold so that the contractual rights to receive the cash flows from the trade receivables cease.

Accounting principles

Trade receivables are measured under IFRS 9 at amortized cost. The value of trade receivables depends on the transaction price of sold goods. Transaction price is measured in accordance with IFRS 15 Revenue from Contracts with Customers. In defining the transaction price, for example the variable considerations included in the contracts, such as volume rebates, are taken into account. This means that the transaction price can be lower than the sales amount invoiced from the customer.

Suominen applies the practical expedient allowed by IFRS 9 for credit losses arising from trade receivables and uses a provision matrix in estimating the credit losses based on historical experience on realized credit losses. In accordance with the provision matrix, the credit losses of trade receivables are based on lifetime expected credit losses. Trade receivables are categorized based on days past due as well as on risk characteristics of the customers taking into account the customers' capability to pay all contractual amounts as agreed in the contracts. Risk characteristics include, among others, the geographical risk related to the customer, the payment behavior and the financial position of the customer.

The expected credit losses on trade receivables are a probability-weighted estimate of credit losses over the expected life. Suominen's realized credit losses have historically been immaterial. There is, however, a risk that some bad debt provisions made in 2024 and 2023 will be realized credit losses due to the customers' financial difficulties.

A large part of the trade receivables were at the end of the reporting period from international customers with high credit rating. These customers are capable to pay their overdue receivables and the credit risk is not considered to be significantly increased even if the receivables were overdue for more than 30 days.

If it has been estimated that the credit risk of other overdue trade receivables has significantly increased, expected credit losses have been recognized. In addition, the overdue trade receivables are under collection procedures or payment plans with the customers have been made. Suominen also monitors continuously that payment plans are followed.

Suominen monitors constantly the open balances of the customers and takes action if payments are delayed.

The direct impact of the war in Ukraine to Suominen's business is minor as Suominen has no customers in Russia, Belarus or Ukraine.

Critical accounting estimates and judgements

Measurement of trade receivables includes some management estimates. If the management estimates that the carrying amount of a trade receivable exceeds its fair value, an estimate of the expected credit loss is recognized.

NOTE 12 Financial instruments

EUR thousand

Classification of financial assets

	At amortized cost	Designated at fair value through other comprehensive income	Carrying amount	Fair value
Equity instruments	–	421	421	421
Trade receivables	62,477	–	62,477	62,477
Other financial receivables	246	–	246	246
Cash and cash equivalents	41,340	–	41,340	41,340
Total December 31, 2024	**104,063**	**421**	**104,484**	**104,484**

	At amortized cost	Designated at fair value through other comprehensive income	Carrying amount	Fair value
Equity instruments	–	421	421	421
Trade receivables	62,325	–	62,325	62,325
Other financial receivables	201	–	201	201
Cash and cash equivalents	58,755	–	58,755	58,755
Total December 31, 2023	**121,281**	**421**	**121,702**	**121,702**

Accounting principles – financial assets

Suominen has defined its business model for managing financial assets and based on the model as well as the characteristics of the financial assets, determined the classification of the financial assets.

Trade day accounting is applied to regular purchases and sales of financial assets. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred to an external party and the Group has transferred substantially all the risks and rewards related to the ownership of the assets to an external party.

Financial assets at fair value through profit or loss

Derivative instruments, for which hedge accounting is not applied, are recognized under IFRS 9 at fair value through profit or loss.

Gains or losses arising from changes in the fair value of assets at fair value through profit or loss are recognized in the statement of profit or loss either in other operative income and expenses or in financial items, depending on the nature of the asset.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity instruments. More information is presented in Note 9.

Financial assets at amortized cost

Trade receivables at amortized cost are described in Note 11.

Cash and cash equivalents are measured under IFRS 9 at amortized cost. Under IFRS 9 also cash and cash equivalents are subject to credit loss assessment, and credit losses are recognized based on either 12-month expected credit losses, or if there has been a significant increase in the credit risk related to the receivable, based on lifetime expected credit losses. Based on the situation at the end of the reporting period and taking into account the counterparty credit risk related to deposits in banks, there are no credit losses from cash and cash equivalents.

Cash and cash equivalents comprise cash and bank account balances. If bank overdrafts are in use, they are included in current interest-bearing liabilities.

Classification of financial liabilities

	At amortized cost	Carrying amount	Fair value	Nominal value
Debentures	49,606	49,606	45,255	50,000
Other current interest-bearing liabilities	40,000	40,000	40,000	40,000
Lease liabilities	12,154	12,154	12,154	12,154
Interest accruals	582	582	582	582
Other current liabilities	269	269	269	269
Trade payables	67,654	67,654	67,654	67,654
Total December 31, 2024	**170,265**	**170,265**	**165,914**	**170,659**

	At amortized cost	Carrying amount	Fair value	Nominal value
Debentures	49,449	49,449	42,080	50,000
Other current interest-bearing liabilities	40,000	40,000	40,000	40,000
Lease liabilities	12,828	12,828	12,828	12,828
Interest accruals	626	626	626	626
Other current liabilities	508	508	508	508
Trade payables	60,343	60,343	60,343	60,343
Total December 31, 2023	**163,755**	**163,755**	**156,386**	**164,306**

Accounting principles – financial liabilities

Financial liabilities are classified as current liabilities if they mature within 12 months from the end of the reporting period.

A financial liability or a part of a financial liability is removed from the statement of financial position when the liability is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Interest-bearing liabilities, including lease liabilities, are described in Note 14 of the consolidated financial statements.

Trade payables

Trade payables are measured at amortized cost. The carrying amount of trade payables equals to fair value based on their short maturity.

NOTE 13 Equity and information of suominen share

Share capital and number of shares

The registered share capital of Suominen Corporation totals EUR 11,860,056. The number of Suominen's registered shares on December 31, 2024, was 58,259,219 shares.

Suominen has one series of shares. Each share has one vote in the General Meeting of the shareholders and all the shares have equal rights to dividend or other distribution of equity. Suominen share has no nominal value. Suominen Corporation shares are listed on Nasdaq Helsinki Ltd.

Treasury shares

The treasury shares acquired by Suominen and the related costs are presented as deductions of distributable equity. In accordance with the Limited Liability Companies Act, treasury shares do not entitle to shareholder rights, such as right to receive dividend or other distribution of funds, or right to attend a General Meeting.

At the end of the reporting period Suominen held 532,116 treasury shares. In accordance with the resolution by the Annual General Meeting, 25,088 shares were transferred on May 16, 2024, to the members of the Board of Directors as their remuneration payable in shares. As a vesting period of the President & CEO's share-based payment plan ended, in total 9,556 shares were transferred to the President & CEO in June.

Other equity reserves

Share premium account is restricted equity and the reserve can no longer increase. Share premium account can be used to increase share capital.

Reserve for invested unrestricted equity is an unrestriced equity reserve, which can be used in returning capital to the shareholders. The reserve arises or increases in share issues by recognizing in the reserve that part of the emission price which is not recognized in share capital. It can also increase in connection of other equity increases. The investments in the reserve can be made by shareholders or external parties.

Fair value reserve includes the fair value changes of derivatives when hedge accounting is applied. Also the fair value changes of equity instruments classified at fair value through other comprehensive income are recognized in the fair value reserve.

Other reserves include legal reserve, which consists of the part of the profit which by local legislation has to moved to a restricted equity reserve.

The exchange differences arising from translating the statements of profit or loss, statements of comprehensive income and statements of financial position into euro using the different exchange rates are recognized as other comprehensive income and included in equity in cumulative exchange difference. Exchange differences arising from the translation of the net investments in foreign subsidiaries in non-euro area are also recognized in other comprehensive income and included in equity in cumulative exchange differences.

Some loans granted to the subsidiaries are in substance a part of a net investment in the subsidiary, as settlement of the loan is not likely to occur in the foreseeable future. The exchange differences arising from those loans are recognized in other comprehensive income and in exchange differences in equity.

Share-based plans

The share-based incentive plans are described in Note 27 of the consolidated financial statements.

Suominen has no option plans.

The share ownership of related parties in Suominen is disclosed in Note 30 of the consolidated financial statements.

Dividend and return of capital	2024	2023
Proposed dividend and/or return of capital per share for the financial year, euro*	0.00	0.10
Paid dividend and/or return of capital per share for the previous financial year, euro	0.10	0.10

* The proposal of the Board of Directors to the Annual General Meeting.

Share trading and price

The number of Suominen Corporation shares traded on Nasdaq Helsinki January 1–December 31, 2024, was 951,426 shares (2,743,668 shares), accounting for 1,7% (4.8%) of the average number of shares (excluding treasury shares). The highest price was EUR 2.93 (EUR 3.48), the lowest EUR 1.96 (EUR 2.48) and the volume-weighted average price EUR 2.53 (EUR 2.85). The closing price at the end of reporting period was EUR 2.28 (EUR 2.85). The market capitalization (excluding treasury shares) was EUR 131.6 million on December 31, 2024 (EUR 164.4 million).

Number of shares

Changes in number of shares

Number of shares January 1, 2023	**58,259,219**
Number of shares December 31, 2023	**58,259,219**
Number of shares December 31, 2024	**58,259,219**

Changes in treasury shares

Number of shares January 1, 2023	**778,492**
Conveyance of treasury shares, reward for the Board of Directors	-21,949
Conveyance of treasury shares, share-based plans	-189,783
Number of shares December 31, 2023	**566,760**
Conveyance of treasury shares, reward for the Board of Directors	-25,088
Conveyance of treasury shares, share-based plans	-9,556
Number of shares December 31, 2024	**532,116**

Number of shares	December 31, 2024	December 31, 2023
Number of shares excluding treasury shares	57,727,103	57,692,459
Share-issue adjusted number of shares excluding treasury shares	57,727,103	57,692,459
Average number of shares excluding treasury shares	57,713,587	57,656,044
Average share-issue adjusted number of shares excluding treasury shares	57,713,587	57,656,044
Average diluted share-issue adjusted number of shares excluding treasury shares	57,878,570	57,738,524

Notifications in 2024 under Chapter 9, Sections 5 and 6 of the Securities Market Act

There were no notifications in 2024.

Largest shareholders December 31, 2024

Shareholder	Number of shares	% of shares and votes
Ahlström Capital B.V.	14,127,449	24.2%
Etola Group Oy	7,414,000	12.7%
Oy Etra Invest Ab	7,000,000	12.0%
OP Life Assurance Company Ltd	4,580,979	7.9%
Nordea Nordic Small Cap Fund	3,494,944	6.0%
Mandatum Life Insurance Company	2,882,540	4.9%
Ilmarinen Mutual Pension Insurance Company	1,912,000	3.3%
Varma Mutual Pension Insurance Company	1,689,751	2.9%
Nordea Life Assurance Finland Ltd	1,462,000	2.5%
Oy H. Kuningas & Co. AB	1,327,317	2.3%
Maijala Investment Oy	1,176,232	2.0%
Skandinaviska Enskilda Banken AB (publ.)	1,037,498	1.8%
Laakkosen Arvopaperi Oy	900,000	1.5%
Juhani Maijala	794,026	1.4%
Pension Insurance Company Elo	689,430	1.2%
15 largest total	**50,488,166**	**86.7%**
Other shareholders	5,977,136	10.3%
Nominee registered	1,261,801	2.2%
Treasury shares	532,116	0.9%
Total	**58,259,219**	**100.0%**

Ownership distribution December 31, 2024

	Number of shareholders	% of total	Number of shares	% of shares and votes
Corporations	148	3.1%	11,402,971	19.6%
Financial and insurance corporations	11	0.2%	20,468,837	35.1%
General government	4	0.1%	4,291,781	7.4%
Non-profit institutions	8	0.2%	239,320	0.4%
Households	4,612	96.0%	5,890,810	10.1%
Foreign countries	21	0.4%	14,171,583	24.3%
Total	**4,804**	**100.0%**	**56,465,302**	**96.9%**
Nominee registered	9		1,261,801	2.2%
Treasury shares	1		532,116	0.9%
Total	**4,814**		**58,259,219**	**100.0%**

Shareholders by share ownership December 31, 2024

Number of shares	Number of shareholders	% of total	Number of shares	% of shares and votes
1–100	1,854	38.5%	79,516	0.1%
101–500	1,603	33.3%	425,335	0.7%
501–1,000	595	12.4%	469,392	0.8%
1,001–5,000	580	12.1%	1,273,178	2.2%
5,001–10,000	80	1.7%	576,900	1.0%
10,001–50,000	62	1.3%	1,224,111	2.1%
50,001–100,000	14	0.3%	976,720	1.7%
100,001–500,000	9	0.2%	1,688,353	2.9%
more than 500,000	16	0.3%	51,013,598	87.6%
Total	**4,813**	**100.0%**	**57,727,103**	**99.1%**
Treasury shares	1		532,116	0.9%
Total	**4,814**		**58,259,219**	**100.0%**

NOTE 14 Interest-bearing liabilities

EUR thousand

In March 2024, Suominen announced that it has extended by one year the maturity of the EUR 100 million syndicated revolving credit facility agreement signed in July 2020. The maturity of the facility is now extended to July 2026.

The lenders for the facility are Danske Bank A/S, Finland Branch and Nordea. The credit facility includes leverage ratio and gearing as financial covenants. The margin of the facility will increase or decrease dependent on Suominen meeting two sustainability key performance indicators, namely increase in the sales of sustainable products and reduction of greenhouse gas emissions. The credit facility has floating interest rates.

The finanancial covenants have to be fulfilled quarterly. Suominen has no indication that it would not be able to fulfill the covenants.

The fulfillment of the financial covenants is constantly monitored. In order to secure the availability and continuity of financing as well as to ensure that the covenants are not violated, Suominen, if necessary, negotiates with the lenders about the levels of the covenants.

In June 2021, Suominen issued a senior unsecured bond of EUR 50 million. The six-year bond matures on June 11, 2027, and it carries a coupon interest of 1.50%. The bond is listed on the official list of Nasdaq Helsinki Ltd.

The bond constitutes a direct and unsecured obligation of Suominen and it is guaranteed as for own debt by certain subsidiaries of Suominen Corporation.

	2024			2023		
	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value	Nominal value
Non-current interest-bearing liabilities						
Debentures	49,606	45,255	50,000	49,449	42,080	50,000
Lease liabilities	9,277	9,277	9,277	9,711	9,711	9,711
Total	**58,883**	**54,532**	**59,277**	**59,160**	**51,791**	**59,711**
Current interest-bearing liabilities						
Other interest-bearing liabilities	40,000	40,000	40,000	40000	40000	40,000
Lease liabilities	2,877	2,877	2,877	3,117	3,117	3,117
Total	**42,877**	**42,877**	**42,877**	**43,117**	**43,117**	**43,117**
Total	**101,760**	**97,409**	**102,154**	**102,278**	**94,908**	**102,828**

It is the opinion of Suominen that presenting interest-bearing liabilities not only at amortized cost but also at nominal value gives relevant additional information to the investors.

Change in interest-bearing liabilities

	2024	2023
Total interest-bearing liabilities at the beginning of the period	**102,278**	**103,365**
Current liabilities at the beginning of the period	**43,117**	**42,855**
Repayment of current liabilities, cash flow items	-163,312	-243,271
Drawdown of current liabilities, cash flow items	160,000	240,000
Increases in current liabilities, non-cash flow items	630	782
Decreases of current liabilities, non-cash flow items	-284	-82
Reclassification from non-current liabilities	2,643	2,878
Exchange rate difference, non-cash flow item	81	-44
Current liabilities at the end of the period	**42,877**	**43,117**
Non-current liabilities at the beginning of the period	**9,711**	**11,215**
Increases in non-current liabilities, non-cash flow items	1,949	1,629
Decreases of non-current liabilities, non-cash flow items	-11	-67
Reclassification to current liabilities	-2,643	-2,878
Exchange rate difference, non-cash flow item	272	-188
Non-current liabilities at the end of the period	**9,277**	**9,711**
Non-current debentures at the beginning of the period	**49,449**	**49,295**
Periodization of debenture to amortized cost, non-cash flow items	157	154
Non-current debentures at the end of the period	**49,606**	**49,449**
Total interest-bearing liabilities at the end of the period	**101,760**	**102,278**

Maturity of interest-bearing liabilities		
2025 (2024)	42,877	43,117
2026 (2025)	2,814	2,241
2027 (2026)	52,240	2,259
2028 (2027)	1,215	51,625
2029– (2028–)	2,614	3,034
Total	**101,760**	**102,278**

Interest-bearing liabilities by currency		
EUR	96,096	95,795
USD	5,486	6,223
BRL	178	259
Total	**101,760**	**102,278**

Accounting principles

Listed debentures are recognized at amortized cost using the effective interest method. The fair value of a listed debenture is measured using the market price at the end of the reporting period.

Fees paid on loan facilities are recognized as transaction costs of the loan to the extent that it is probable that the facility will be drawn down. In this case, the fee is recognized in the statement of financial position until the draw-down of the loan occurs, and it is recognized in profit or loss over the loan period. If it is not probable that the loan facility will be utilized, the fee will be immediately recognized in profit or loss.

Accounting principles related to lease liabilities are disclosed in Note 21.

NOTE 15 Provisions

EUR thousand

Non-current provisions

	Restoration provisions	Income tax provisions	Other provisions	**Total**
January 1, 2023	**1,850**	**26**	**74**	**1,950**
Exchange difference	-13	–	–	-13
Increases	1,595	–	770	2,365
Decreases	-19	–	-81	-100
Effect of discounting	194	–	40	234
Transfer to current provisions	-3,082	–	-788	-3,870
December 31, 2023	**524**	**26**	**14**	**564**
Exchange difference	25	–	–	25
Effect of discounting	39	–	–	39
Released during the reporting period	–	-26	-14	-40
December 31, 2024	**588**	**–**	**–**	**588**

Current provisions

	Restoration provisions	Other provisions	**Total**
January 1, 2023	**–**	**–**	**–**
Transfer from non-current provisions	3,082	788	3,870
December 31, 2023	**3,082**	**788**	**3,870**
Used during the reporting period	-2,055	-835	-2,890
Released during the reporting period	-1,061	–	-1,061
Effect of discounting	212	47	259
December 31, 2024	**178**	**–**	**178**

The provisions of Suominen consist of the obligations to restore the leased premises at the end of the lease contracts (Note 21) and provisions related to the closure of the Mozzate plant.

Accounting principles

A provision is recognized when there is a present legal or constructive obligation arising from past events and it is probable, that the fulfillment of the obligation requires payment and generates outflow of economic benefits from the company, and when the amount of the obligation can be measured reliably. Provisions are recognized as liabilities in the statement of financial position. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the time value of money is material, provisions are discounted.

A restructuring provision is recognized only when a detailed and fully compliant plan has been prepared for it and the implementation of the plan has been started or a notification of it has been made known to those whom the arrangement concerns.

NOTE 16 Trade payables and other liabilities

EUR thousand

	2024	2023
Current liabilities		
Trade payables	67,654	60,343
Advances received	31	104
Other liabilities	1,061	1,514
Accrued expenses and deferred income	13,102	13,160
Total trade payables and other current liabilities	**81,849**	**75,122**

Accrued expenses and deferred income include, among others, accrued interest expenses, accrued personnel expenses and other accruals for expenses.

Other liabilities include, among others, liabilities from indirect taxes.

Currency analysis of trade payables

	2024	2023
EUR	27,606	26,117
USD	39,558	32,525
BRL	490	1,683
Other currencies	–	18
Total	**67,654**	**60,343**

NOTE 17 Fair value hierarchy

EUR thousand

Fair value hierarchy in 2024

Financial assets at fair value	Level 1	Level 2	Level 3
Equity instruments	–	–	421
Total in 2024	**–**	**–**	**421**

Fair value hierarchy in 2023

Financial assets at fair value	Level 1	Level 2	Level 3
Equity instruments	–	–	421
Total in 2023	**–**	**–**	**421**

Fair value changes in Level 3

Financial assets at fair value	
Total January 1, 2023	**421**
Total December 31, 2023	**421**
Total December 31, 2024	**421**

Items to be recognized in profit or loss are recognized in financial items.

There were no transfers in the fair value measurement hierachy levels during the reporting periods.

Fair values in Level 1 are based on quoted prices (unadjusted) in active markets for identifical assets or liabilities.

The fair value for financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is applicable and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

The fair values of financial instruments on Level 3 are based on related inputs, which are not based on observable market information but significantly on management estimates which are used in generally accepted valuation methods.

If there is no active market for the equity instruiment or if the securities are not listed, the Group measures fair value with valuation techniques. If there is no asset-specific data available from transactions between independent parties, the fair values used for the asset is for example the present value of discounted cash flows arising from the asset or fair values other instruments which are substantially identical than the asset.

NOTE 18 Revenue from contracts with customers

EUR thousand

The net sales of Suominen Group consist entirely of sales of nonwovens. In 2024, sales to three (three) customers exceeded each 10% of total net sales. Net sales to these customers amounted to EUR 80.1 million (81.7), EUR 72.3 million (73.8) and EUR 63.4 million (60.7).

The customer demand for nonwovens has shifted more and more to sustainable nonwovens not containing plastic and which are made of plant-based fibers. In addition, also legislation directs the transition into plastic-free and sustainable nonwovens. Suominen has already for years put effort in the R&D on developing sustainable nonwovens by researching the use of new, potential raw materials as well as the biodegradability of the raw materials.

Suominen aims to ensure the ability of its production lines to produce sustainable nonwovens by continuously investing in the production lines, and is thus improving the ability to meet the customer demand and requirements set by legislation.

	2024	2023
Net sales by geographical destination		
Finland	3,619	3,240
Rest of Europe	159,639	155,759
Americas	297,628	291,108
Rest of the world	1,432	743
Total	**462,318**	**450,851**
Net sales by business area		
EMEA	174,419	162,841
Americas	287,907	288,014
Unallocated exchange differences of sales and internal sales	-8	-5
Total	**462,318**	**450,851**

Accounting principles

Suominen applies IFRS 15 Revenue from Contracts with Customers in revenue recognition. Net sales include the total invoicing value of products less sales tax, discounts and rebates. Foreign exchange differences arising from trade receivables are recognized as sales adjustments.

The goods Suominen sells are nonwoven rolls. The customer can benefit from each nonwoven roll either on its own or together with other resources readily available to the customer. The delivered goods have been identified in the contracts Suominen has made with the customer (for example the quality and measurements of the product have been defined). The contracts often define the target for quantities to be delivered, but the customer is not committed to the quantities. The supplied quantities are based on the customer's purchase orders and each supplied quantity is invoiced separately.

The performance obligation is satisfied when the goods have been delivered to the customer, ie. the performance obligation is satisfied at a point of time. In most cases the goods are handed over to the customer when the goods leave the production plant. If, in accordance with the terms of delivery, the risks and rewards of ownership of the goods as well as control over the goods are transferred to the customer only when the goods have been delivered to the customer, revenue is recognized only when the customer has received the goods.

The payment terms and times differ depending on the customer. The applied payment term and the length of the payment time are affected by, among other things, the credit risk and prior payment behavior of the customer. In addition, the geographical location of the invoicing production plant as well of the customer have an effect on the payment terms. Suominen has preferred payment terms defined in the credit policy, but for commercial reasons it is possible to deviate from these payment terms. For the most part trade receivables are due within 30–90 days from the invoicing date.

There are no significant financing components in the sales prices and the considerations are paid in cash.

Some of the customer contracts include a definition of a rebate, which is granted to the customer if the delivered quantities exceed the predefined level, i.e. in these cases the sales price includes a variable consideration. The effect of the variable consideration on the sales price is taken into account in revenue recognition by estimating the probability of the realization of the rebate for each contract. The estimation is based on the most likely amount. When estimating the probability, Suominen takes into account the historical information of the customer (such as whether the deliveries in the past have reached the level which entitles the customer to receive the rebate), the current situation at the time of the delivery of the goods as well as forecasts on future deliveries. The uncertainty inherent in estimating the variable consideration is considered to be so immaterial that the variable consideration has not been constrained. The estimated sales prices, including potential discounts and other items which could possibly affect the sales prices, are reassessed latest at the end of each reporting period.

The receivable from the customer is recognized at the amount determined by applying IFRS 15. This means in practice that both the invoiced trade receivable from the customer and recognized revenue are adjusted in accounting with an accrual based on the estimated rebate amount.

In some of the customer contracts the sales price of the goods is tied to the raw material costs of Suominen. The effect of the raw material prices on sales prices is, however, applied only to future sales prices and they do not affect the prices of already delivered goods. As the delivered quantities are distinct performance obligations, raw material clauses are not applied retrospectively.

Sales prices are defined in the customer contracts separately for each product. The price for each customer is based on, among other things, quantities, transaction currency and the geographical location of the customer. Variable considerations as defined in the conctract are taken into account in determining the sales prices. Variable considerations (rebates) are allocated to the performance obligations which are included in the contract, unless otherwise agreed in the contract. In these cases the variable considerations are allocated only to those performance obligations they relate to.

Suominen has no material incremental costs of obtaining a contract which would fulfill the capitalization criteria. Any incremental costs are recognized as expense when incurred, as the amortization period of such capitalized incremental costs would be one year or less. Suominen has no such costs to fulfill a contract which would fulfill the capitalization criteria of IFRS 15.95-97.

NOTE 19 Segment reporting and entity-wide disclosures

EUR thousand

Reportable segments

Suominen has no reportable segments.

The business of Suominen consists of one operating segment, Nonwovens. The net sales of Suominen consist entirely of net sales of the Nonwovens operating segment. All the products Suominen produces and sells are nonwoven products, and the production process and technology of all the products are mainly similar. Also other resources of the Group common to all products. The customers are mainly converters of nonwovens, and the risks or profitability related to products or customers do not differ from each other. Also distribution of the products is similar.

The sales organization of Suominen is organized geographically as EMEA and Americas business areas. Account management of major customers ("Global Accounts") is, however, centralized and independent of the business areas.

The production facilities of Suominen are managed centrally, and also the high level supply planning is a centralized function. The centralized supply planning optimizes the use of the Group's production capacity. The manufacturing of the products is allocated, based on the technical parameters of the products and available production capacity, to the production facilities. Also the allocation of marketing and R&D resources on different products or production technologies is decided centrally.

The chief operating decision maker of Suominen is the President & CEO, who is assisted by the Executive Team. The President & CEO makes decisions on allocating the resources of the Group. However, material items, such as major investments, as well as items which are required by governing law to be decided by the Board of Directors, are presented to the Board for approval.

Property, plant and equipment, intangible assets and right-of-use assets by geographical location

	2024	2023
Finland	17,106	17,735
Rest of Europe	37,382	35,067
Americas	95,121	92,614
Total	**149,609**	**145,416**

Net sales by geographical destination as well as net sales by business area are presented in Note 18.

NOTE 20 Other operating income and expenses

EUR thousand

Other operating income	2024	2023
Gains from disposal of property, plant and equipment	113	36
Gains from changes in leases	269	2
Indemnities received and insurance compensations	600	25
Rental income	471	480
Sales of waste	1,022	713
Government and other grants	662	1,379
Other operating income	1,815	2,167
Total	**4,952**	**4,802**

Sales of waste consists of sales of waste generated in the manufacturing process as well as sales of products which do not fulfill quality requirements.

Other operating expenses		
Expected and reversed credit losses of trade receivables during the period, net	285	-120
Losses from changes in leases	-6	-1
Losses from disposal of property, plant and equipment	-1	–
Indemnities and reversals of indemnity accruals	-4	-92
Expenses related to the closure of Mozzate plant	–	-2,350
Other operating expenses	-121	-137
Total	**152**	**-2,700**

Accounting principles

Gains from the disposal of property, plant and equipment and intangible assets, insurance compensations and government and other grants as well as revenues other than from product sales, such as rental income (Note 21), and proceeds from sale of waste, are recognized as other operating income. Also gains arising from changes in leases are recognized as other operating income.

Losses from the sales of assets, expected credit losses of trade receivables as well other expenses not associated with ordinary operations are recognized as other operating expenses. Also losses arising from changes in lease contracts are recognized as other operating expenses.

NOTE 21 Leases and right-of-use assets

EUR thousand

Suominen owns the majority of its production facilities (ie. buildings and land) as well as all of its production lines. The most significant lease contracts Suominen has consist of the leased production facilities in Italy and Windsor Locks, USA. In addition, part of the production facility in Spain is leased. Other lease contracts are mainly lease contracts of offices, smaller machinery and equipment, such as forklifts and office equipment, as well as leases of vehicles.

Suominen acts also as a lessor to a minor extent in some of its production facilities where it leases parts of the real estates it owns. These lease contracts are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets to the lessees. The lease payments received from these lease contracts are recognized as other operating income on a straight-line basis in accordance with the terms of the lease contracts (Note 20).

Income and expenses in the statement of profit or loss arising from leases	2024	2023
Depreciation expense of right-of-use assets	-2,906	-2,767
Impairment losses of right-of-use assets	-3	-108
Rental expenses relating to short-term leases	-246	-421
Rental expenses relating to leases of low value assets	-83	-68
Expenses arising from non-lease components of the leasing contracts and non-deductible indirect taxes	-35	-26
Gains and losses arising from lease modifications, net	263	1
Rental income	471	480
Total in operating profit	**-2,539**	**-2,909**
Interest expenses on lease liabilities (Note 25)	-728	-802
Interest expenses on provisions related to leasing contracts (Note 25)	-117	-110
Total income and expenses	**-3,384**	**-3,822**

Cash outflow for leases	2024	2023
Paid interest expenses on lease liabilities	-724	-805
Repayment of finance lease liabilities	-3,312	-3,271
Rental expenses	-363	-514
Total cash outflow for leases	**-4,399**	**-4,590**

Minimum lease payments under non-cancellable operating leases in future periods		
Within one year	86	32
Between 1–5 years	252	39
After 5 years	56	–
Total	**393**	**71**

Commitments to leases not yet commenced are disclosed in Note 31.

Minimum non-cancellable lease payments (rental income) in future periods		
Within one year	447	428
Between 1–2 years	268	339
Between 2–3 years	–	121
Between 3–4 years	–	–
Between 4–5 years	–	–
After 5 years	–	–
Total	**715**	**889**

Right-of-use assets

	Right-of-use land	Right-of-use buildings	Right-of-use machinery and equipment	Right-of-use office spaces	Other right-of-use assets	Total 2024
Acquisition cost January 1	**84**	**23,100**	**2,455**	**1,305**	**89**	**27,031**
Exchange difference	–	702	-10	49	6	747
Additions	2	236	842	1,475	25	2,580
Decreases	–	–	-634	-1,374	-1	-2,009
Acquisition cost December 31	**86**	**24,038**	**2,652**	**1,454**	**119**	**28,349**
Accumulated depreciation and impairment losses January 1	**-33**	**-13,430**	**-1,190**	**-1,201**	**-70**	**-15,922**
Exchange difference	–	-425	-11	-50	-5	-491
Decreases	–	–	603	1,374	–	1,976
Depreciation for the reporting period	-7	-1,873	-733	-262	-31	-2,906
Impairment losses	–	-3	–	–	–	-3
Accumulated depreciation and impairment losses December 31	**-41**	**-15,731**	**-1,331**	**-139**	**-105**	**-17,346**
Carrying amount December 31	**45**	**8,306**	**1,322**	**1,316**	**14**	**11,003**

	Right-of-use land	Right-of-use buildings	Right-of-use machinery and equipment	Right-of-use office spaces	Other right-of-use assets	Total 2023
Acquisition cost January 1	**80**	**22,305**	**2,644**	**1,236**	**55**	**26,321**
Exchange difference	–	-362	-13	-28	-2	-405
Additions	3	1,156	1,119	97	36	2,410
Decreases	–	–	-1,295	–	–	-1,295
Acquisition cost December 31	**84**	**23,100**	**2,455**	**1,305**	**89**	**27,031**
Accumulated depreciation and impairment losses January 1	**-26**	**-11,697**	**-1,714**	**-945**	**-37**	**-14,419**
Exchange difference	–	193	7	23	2	225
Decreases	–	–	1,147	–	–	1,147
Depreciation for the reporting period	-7	-1,817	-630	-279	-35	-2,767
Impairment losses	–	-108	–	–	–	-108
Accumulated depreciation and impairment losses December 31	**-33**	**-13,430**	**-1,190**	**-1,201**	**-70**	**-15,922**
Carrying amount December 31	**51**	**9,670**	**1,265**	**104**	**19**	**11,109**

Depreciation and impairment losses are disclosed in Note 24.

Accounting principles

If a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is or contains a lease. Suominen assesses at each contract inception whether a contract is or contains a lease. If the contract is a lease, Suominen, as a lessee, recognizes in accordance with IFRS 16 Leases the right-of-use assets and lease liabilities (Note 14) for the rights and obligations created by leases.

Suominen applies the recognition exemptions allowed by IFRS 16. This means that low value asset leases are recognized as rental expenses on straight-line basis in the statement of profit or loss. Based on the standard as well as the materiality principle, Suominen has defined that an asset is of low value if its value as new is EUR 5,000 or less. Such assets are for example computers and other smaller office equipment.

The recognition exemptions allow also that leases, where the lease term is initially 12 months or less and the leases do not contain purchase options, are recognized as rental expenses on straight-line basis in the statement of profit or loss. The election for short-term leases has to be made by the class of the underlying asset. In Suominen, for example leases of temporary warehouses as well as short-term leases of machinery and equipment and vehicles are included in short-term leases.

In addition, the lease and non-lease components are not separated for all asset classes, such as vehicles and forklifts.

Gains arising from modifications in lease contracts are recognized as other operating income and losses as other operating expenses (Note 20).

Lease liabilities

At the commencement date of a lease, Suominen recognizes a lease liability measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. If the lease contract contains a purchase option and it is reasonable certain that the option will be exercised, the exercise price is included in the lease payments. Also, if it is reasonable certain that the lease will be terminated, the termination penalties are included in the lease payments.

In calculating the present value of the lease liabilities, Suominen uses either the interest rate implicit in the lease or, if that is not easily attainable, the incremental borrowing rate at the commencement date of the lease. The majority of the lease liabilities are calculated with the incremental borrowing rate, defined separately for each group company taking into account the geographical location and credit worthiness of each company.

After the commencement date, the carrying amount of lease liabilities is reduced for the lease payments made and increased to reflect interest on the lease liability. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments, such as a change to future payments resulting from a change in an index or rate used to determine the lease payments or a change in the assessment of an option to purchase the asset.

Part of the Group's lease contracts continue with a new lease term unless the contract is terminated during the termination period defined in the contract. As both the lessee and the lessor have a right to terminate the contract without the other party's consent and without sanctions, the recognized lease terms of these contracts do not include the use of the option to extend the lease. In addition, there are some lease contracts which include options to extend the lease, but it is unlikely that these options are exercised. The lease period taken into account of these lease contract is the initial lease term excluding the use of the option.

The lease contracts of all Suominen's leased production facilities include either an option to extend the lease or they continue automatically, if they are not terminated during the termination period. If neither of the contract parties has terminated the contract during the termination period, Suominen redefines the remaining lease period.

When the lease contract includes variable lease payments based on an index, the lease liability is initially measured using the index at the commencement date of the lease. The lease liabilities arising from these lease contracts are remeasured when the lease payments change due to the change in the index.

Lease liabilities are disclosed in Note 14.

Right-of-use assets

Suominen recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are subsequently measured at cost, less cumulative depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognized, initial direct cost incurred, and lease payment made before the commencement date less any lease incentives received.

Some of the lease contracts of the production facilities include an obligation to restore the underlying asset to the condition required by the terms and conditions of the lease. These restoration obligations (Note 15) are recognized as provisions in the statement of financial position and the initial amount is included in the cost of the right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If the ownership of the leased asset transfers to Suominen at the end of the lease or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Critical accounting estimates and judgements

The carrying amounts of the right-of-use assets and lease liabilities depend on, among other things, the length of the leasing contracts as well as the potential options and possibilities to lengthen or shorten the lease term. The carrying amounts are especially affected with the estimates made of the lease terms and possible renewals of the lease agreements of the production facilities.

When there is a change in the lease term, the lease liability has to be remeasured by discounting the lease payments with the discount rate at the date of the reassessment. Because of this, the estimate of the lease term includes also an interest rate risk.

NOTE 22 Fees paid to auditors

EUR thousand

Fees paid to auditors are included in administration expenses.

Ernst & Young Oy has been acting as the principal auditor of the Group and the parent company since the Annual General Meeting of 2015.

Fees paid to auditors, Suominen Group	2024	2023
Fees for statutory audit*	-619	-431
Other services	-24	-9
Total	**-642**	**-441**

The fees paid by the parent company of the Group, Suominen Corporation, are presented below.

Fees paid to auditors, Suominen Corporation		
Fees for statutory audit*	-267	-159
Other services	-20	-4
Total	**-287**	**-163**

*Includes also the fees for sustainability reporting assurance (EUR 72 thousands)

NOTE 23 Employee benefits

EUR thousand

	2024	2023
Wages and salaries	-46,081	-42,940
Share-based payments	-540	-658
Pensions, defined contribution plans	-3,313	-3,081
Defined benefit plans, settlements	–	-23
Other personnel expenses	-20,560	-19,511
Total	**-70,493**	**-66,212**

Employee benefits by function		
Cost of goods sold	-50,212	-48,292
Sales, marketing and administration expenses	-18,270	-16,121
Research and development	-2,011	-1,799
Total	**-70,493**	**-66,212**

Average number of personnel (FTE - full time equivalent)	689	682
Number of personnel, end of the reporting period (FTE - full time equivalent)	722	659
in Finland	146	139

The increase in personnel relates mainly to the operations function.

Management remuneration is disclosed in detail in Note 30 of the consolidated financial statements.

Share-based payments are disclosed in more detail in Note 27 of the consolidated financial statements.

Accounting principles – pension benefits and defined benefit plans

The Group has several pension plans in accordance with local conditions and practices in the countries where it operates. The plans are generally funded through premium payments to insurance companies or similar entities. The pension schemes are in accordance with local legislation and based on established local practices. Pension schemes may include additional pension benefits, options for early retirement, or compensation for disability.

Pension schemes are classified either as defined contribution pension plans or defined benefit pension plans. A defined contribution pension plan is a plan under which the Group pays fixed contributions into a separate entity and has no obligation to pay further contributions if the separate entity has no sufficient assets to pay all employee benefits. The contributions to defined contribution plans are charged to profit or loss in the period to which the contributions relate.

Suominen has a defined benefit termination plan in Italy (TFR, Trattamento di Fine Rapporto). The plan is unfunded and closed for new entrants. The benefits paid are based, among other things, on service years and final salary of the participants. The obligation is determined based on calculation made by independent actuaries.

In other countries Suominen has defined contribution pension plans.

The defined benefit obligations are measured as the present value of the estimated future cash flows using interest rates of government securities that have maturity terms approximating the terms of related liabilities or similar long-term interests. Plan assets, if any, are recognized at fair value at the end of the reporting period.

For the defined benefit plans, costs are assessed using the projected unit credit method. Under this method the cost is charged to profit or loss so as to spread over the service lives of employees. However, there are normally no other costs than the net interest arising from the defined benefit plan of Suominen in Italy.

Only past service costs due to plan amendments as well as net interest on net defined benefit liability can be recognized in profit or loss. Service costs, if any, are recognized in profit or loss as employee benefits and net interest in financial items. Remeasurements of net defined benefit liability, such as actuarial gains and losses, are recognized in other comprehensive income in the period in which they occur with no subsequent recycling to profit or loss.

Defined benefit plans

	2024	2023
Defined benefit liabilities in the statement of financial position		
Present value of unfunded obligations	189	179
Deficit	189	179

Change in defined benefit obligation

Present value of defined benefit obligation January 1	**179**	**424**
Charged to profit or loss:		
Gain (-) or loss (+) on settlement	–	23
Interest expenses	6	10
Total recognized in profit or loss (gain - / loss +)	**6**	**33**
Remeasurements:		
Liability experience adjustments	–	20
Actuarial gain (-) / loss (+) from change in financial assumptions	11	2
Total remeasurments	**11**	**22**
Benefits paid	-7	-301
Present value of defined benefit obligation December 31	**189**	**179**

Changes in plan assets

Plan assets January 1	**–**	**–**
Employer contributions	7	301
Benefits paid	-7	-301
Plan assets December 31	**–**	**–**

Significant actuarial assumptions		
Discount rate (%)	3.45	3.25
Rate of future price inflation (%)	2.00	2.25

Sensitivity analysis of actuarial assumptions		
Decrease in discount rate by 0.50 percentage points (2023: 0.25 percentage points)		
Effect on defined benefit obligation	14	11
Increase in discount rate by 0.50 percentage points (2023: 0.25 percentage points)		
Effect on defined benefit obligation	-13	-10

Expected payments to plan participants in the future years from the defined benefit obligation		
2025 (2024)	5	5
2026 (2025)	5	5
2027 (2026)	5	5
2028 (2027)	12	5
2029 (2028)	43	5
2030–2034 (2029–2033)	102	88
Total	**172**	**110**

NOTE 24 Depreciation and amortization and impairment of assets

EUR thousand

	2024	2023
Depreciation and amortization by function		
Cost of goods sold	-15,052	-14,913
Sales, marketing and administration expenses	-2,791	-2,927
Research and development	-584	-723
Total	**-18,428**	**-18,563**

Depreciation and amortization by asset category		
Intangible rights	-3,008	-3,238
Other intangible assets	-431	-554
Buildings and constructions	-2,258	-2,350
Machinery and equipment	-9,623	-9,528
Other tangible assets	-201	-126
Right-of-use assets	-2,906	-2,767
Total	**-18,428**	**-18,563**

Impairment of assets by function		
Cost of goods sold	-3	-117
Total	**-3**	**-117**

Impairment of assets by asset category		
Machinery and equipment	–	-8
Right-of-use assets	-3	-108
Total	**-3**	**-117**

Impairment losses in 2024 and in 2023 arise from the closure of the production lines in Italy.

Accounting principles

The amortization of intangible assets is described in Note 6, the depreciation of property, plant and equipment in Note 7 and the depreciation of right-of-use assets in Note 21.

The carrying amounts of property, plant and equipment as well as of intangible assets are assessed to determine whether there are any indications that the carrying amounts of the assets exceed their recoverable amounts and an impairment loss should be recognized. Indications of the assets' possible impairment can be a significant decline in an asset's market value, adverse changes in the business environment, adverse changes in the extent to which or manner in which an asset is used or expected to be used, or a deterioration in financial performance below what was expected.

If such indications of impairment exist, the recoverable amounts are measured for those assets for which there are indications of impairment. Recoverable amount is the higher of fair value of the asset less costs of disposal and value in use. When measuring an asset's value in use, the future cash flows derived from the asset are discounted by using discount rates which reflect the average cost of capital before taxes of the asset or, if the asset belongs to a cash generating unit, of that cash generating unit. The risk inherent in the value in use is captured by analyzing variations in the amount or timing of cash flows.

An impairment loss of an asset can be reversed if a positive change in the estimates of the recoverable amount has occured. The impairment loss made in prior years is reversed no more than up to the value which would have been determined for the asset, net of amortization or depreciation, had no impairment loss been recognized in prior years.

Impairment testing of goodwill is presented in Note 5.

NOTE 25 Financial income and expenses

EUR thousand

	2024	2023
Financial income		
Interest income from receivables at amortized cost	1,370	1,437
Other interest income	16	80
Total	**1,386**	**1,517**
Financial expenses		
Interest expenses on liabilities at amortized cost	-3,106	-3,361
Interest expenses on lease liabilities	-728	-802
Interest expenses on defined benefit plans	-6	-10
Interest expenses on discounted provisions	-298	-234
Other interest expenses	-6	-16
Financial expenses on sale of trade receivables	-1,123	-1,122
Other financial expenses	-1,165	-1,384
Total	**-6,432**	**-6,929**
Net exchange rate differences	**960**	**-575**
Total financial income and expenses	**-4,086**	**-5,987**

Currency differences in operating profit		
Net sales	-3	-7
Cost of goods sold	-514	-5
Other operating income and expenses	-39	-17

Accounting principles

Accounting of transactions in foreign currencies is described in Note 1.

Interest expenses are accrued for and mainly recognized in profit or loss for each period. If an asset is a qualifying asset as defined in IAS 23 Borrowing Costs, the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized to the acquisition cost of the asset. The capitalization applies mainly to property, plant and equipment and intangible assets.

Capitalized borrowing costs during the reporting period were EUR 287 thousand (EUR 118 thousand). The average capitalization rate used was 3.92%.

NOTE 26 Income taxes

EUR thousand

	2024	2023
Income tax charge in statement of profit or loss		
Current income tax charge	-2,827	-2,147
Adjustments in respect of current income tax of previous years	31	-4
Change in deferred tax assets	2,320	2,883
Change in deferred tax liabilities	577	66
Other income taxes	-49	-80
Total income tax charge	**53**	**719**
Income taxes recognized in other comprehensive income		
Exchange differences	-749	424
Total taxes recognized in other comprehensive income	**-749**	**424**

The Group companies have tax losses, totaling EUR 39.1 million (EUR 29.0 million), which can be applied against future taxable income. A deferred tax asset has been recognized for tax losses only to the extent that the management has estimated in preparing the 2024 financial statements that Suominen is able to utilize the unused tax losses. In addition, it will take several years before the tax losses expire or there is no expiry date for the losses.

Deferred tax liability has not been recognized in 2024 or 2023 of the undistributed earnings of Finnish or foreign subsidiaries, as such earnings can be transferred to the owner without any tax consequences.

Reconciliation of income tax expense calculated at statutory tax rates with income tax expense in the statement of profit or loss

	2024	2023
Profit before income taxes	**-5,343**	**-13,504**
Income taxes at the tax rate applicable to the parent	1,069	2,701
Difference due to different tax rates of foreign subsidiaries	154	-282
Tax exempt income and non-deductible expenses	643	-462
Deferred taxes recognized during the reporting period in respect of previous years' temporary differences and confirmed tax losses	-10	-13
Deferred taxes reversed during the reporting period	-223	–
Losses, for which no deferred tax asset is recognized	-1,576	-1,173
Adjustments in respect of current income tax of previous periods and witholding and other income taxes	-18	-83
Expenses deducted directly from income taxes	13	30
Income taxes in the statement of profit or loss	**53**	**719**
Effective tax rate, %	1.0	5.3
Tax assets and liabilities in the statement of financial position		
Deferred tax assets	2,269	2,048
Assets for current tax	514	2,128
Deferred tax liabilities	7,990	9,362
Liabilities for current tax	214	148

Accounting principles

The consolidated financial statements include current taxes, which are based on the taxable results of the group companies for the reporting period together with tax adjustments for previous reporting periods, calculated in accordance with the local tax rules, and the change in deferred tax liabilities and assets.

Income taxes which relate to items recognized in other comprehensive income are also recognized in other comprehensive income.

IAS 12 Income Taxes requires companies to recognize a separate deferred tax asset and deferred tax liability when the temporary differences arising on recognition of an asset and a liability from a single transaction are equal. Examples of such transactions are recognition of leases and decommissioning obligations

Suominen has some uncertain tax positions due to local tax audits as the tax authorities have challenged the tax deductible expenses Suominen has declared in the income tax returns. Suominen has assessed for each tax audit whether the interpretations of the tax authorities are justified and adjusted the recognized amounts, if needed, in order to correspond the expected future payments. Even though the management estimates that the end results of the tax audits will not result in material additional costs exceeding the already recognized amounts, the actual results can differ from the estimates.

The Group's deferred tax liabilities and assets have been calculated for temporary differences, which have been obtained by comparing the carrying amount of each asset or liability item with their tax bases. Deferred tax assets are recognized for deductible temporary differences and tax losses to the extent that it is probable that taxable profit will be available, against which tax credits and deductible temporary differences can be utilized. In calculating deferred tax liabilities and assets, the tax rate used is the tax rate in force at the time of preparing the financial statements or which has been enacted by end of the reporting period. Changes in tax rates have been taken into account when calculating deferred taxes. Corporate income tax rate in Finland is 20% (20%).

Principal temporary differences arise, among others, from depreciation and amortization of property, plant and equipment and intangible assets, recognition of net assets of acquired companies at fair value and confirmed tax losses.

IFRIC 23 Interpretation clarifies the accounting of uncertainty in accounting for income taxes. Under IFRIC 23 the key test is whether it is probable that the tax authority will accept the company's chosen tax treatment. If it is probable that the tax authority accepts the company's chosen tax treatment in the tax return, there is no uncertainty which would have to be recognized in the financial statements. If it is not probable, then the uncertainty is reflected in the measurement of current or deferred tax. The uncertainty is reflected in the measurement by using either the most likely amount or the expected value, which ever predicts the outcome better.

The judgements and estimates applied in estimating the uncertainty over an income tax treatment are reassessed if facts and circumstances change.

In accordance with the interpretation, the company has to determine, whether to consider each tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty in tax treatments has to be followed.

Critical accounting estimates and judgements

Recognition and measurement of deferred tax liabilities and assets include management estimates, especially in deferred tax assets arising from confirmed tax losses of the group companies or from other temporary differences. Deferred tax assets are recognized for deductible temporary differences and tax losses to the extent that it is probable that taxable profit will be available against which tax credits and deductible temporary differences can be utilized. All tax liabilities and assets are reviewed at the end of the reporting period and changes are recognized in comprehensive income.

Group companies can be subjects of tax audits. In these tax audits the tax authorities can challenge Suominen's view of the taxable income and not fully accept it. In these cases the recognized amounts are adjusted, if needed, in order to correspond the expected future payments. The possible adjustments as well as the recognized income tax liability are based on estimates of the outcome of the tax audit.

Reconciliation of deferred tax assets

	January 1, 2024	Exchange difference	Recognized in profit or loss	Recognized in other comprehensive income or in equity	Offsetting with deferred tax liabilities	December 31, 2024
Employee benefits	217	–	-38	-13	–	165
Property, plant and equipment and intangible assets	1,948	-30	261	–	–	2,178
Leases	1,878	66	-46	–	–	1,897
Tax losses	3,568	245	513	–	–	4,325
Other temporary differences	4,232	191	1,630	-749	–	5,305
Total	**11,842**	**471**	**2,320**	**-762**	**–**	**13,871**
Offsetting with deferred tax liabilities	-9,794	-415	–	–	-1,393	-11,602
Total	**2,048**	**56**	**2,320**	**-762**	**-1,393**	**2,269**

	January 1, 2023	Exchange difference	Recognized in profit or loss	Recognized in other comprehensive income or in equity	Offsetting with deferred tax liabilities	December 31, 2023
Employee benefits	541	–	-312	-12	–	217
Property, plant and equipment and intangible assets	314	10	1,624	–	–	1,948
Leases	1,942	-49	-15	–	–	1,878
Tax losses	2,883	-112	796	–	–	3,568
Other temporary differences	3,110	-92	790	424	–	4,232
Total	**8,790**	**-242**	**2,883**	**411**	**–**	**11,842**
Offsetting with deferred tax liabilities	-8,097	172	–	–	-1,869	-9,794
Total	**693**	**-70**	**2,883**	**411**	**-1,869**	**2,048**

Reconciliation of deferred tax liabilities

	January 1, 2024	Exchange difference	Recognized in profit or loss (- expense)	Recognized in other comprehensive income or in equity	Offsetting with deferred tax assets	December 31, 2024
Property, plant and equipment and intangible assets	14,374	780	739	–	–	14,415
Leases	1,616	54	74	–	–	1,596
Other temporary differences	3,166	180	-235	–	–	3,581
Total	**19,156**	**1,013**	**577**	**–**	**–**	**19,592**
Offsetting with deferred tax assets	-9,794	-415	–	–	-1,393	-11,602
Total	**9,362**	**598**	**577**	**–**	**-1,393**	**7,990**

Restated	January 1, 2023	Exchange difference	Recognized in profit or loss (- expense)	Recognized in other comprehensive income or in equity	Offsetting with deferred tax assets	December 31, 2023
Property, plant and equipment and intangible assets	15,004	-470	160	–	–	14,374
Leases	1,698	-42	40			1,616
Other temporary differences	3,125	-92	-134	–	–	3,166
Total	**19,827**	**-604**	**66**	**–**	**–**	**19,156**
Offsetting with deferred tax assets	-8,097	172	–	–	-1,869	-9,794
Total	**11,730**	**-432**	**66**	**–**	**-1,869**	**9,362**

NOTE 27 Share-based payments

Suominen has share-based incentive plans targeted to the key employees of the Group. In accordance with the terms of the plans, shares in Suominen Corporation are granted to the participants if vesting conditions are met. The rewards are partly settled in cash. The cash portion is intended to cover income taxes and tax-related costs arising from the reward to the participant. In some of the plans, the company also has the right to pay the reward fully in cash under certain circumstances. The Board of Directors of Suominen Corporation is entitled to reduce the rewards as agreed in the plan if the limits set by the Board of Directors for the share price are not reached.

No reward will be paid, if a participant's employment or service ends before the reward payment.

The aim of the plans is to combine the objectives of the shareholders and the persons participating in the plans in order to increase the value of the company in the long-term, to bind the participants to the company, and to offer them competitive reward plans based on earning and accumulating the company's shares.

A member of the Executive Team must hold 50% of the net number of shares given on the basis of the plans, as long as his or her shareholding in total corresponds to the value of half of his or her annual gross salary. The President & CEO must hold 50% of the net number of shares given on the basis of the plans until his or her shareholding in total corresponds to the value of his or her annual gross salary. Such number of shares must be held as long as the participant's employment or service in a group company continues

The President & CEO's share-based incentive plan

The Board of Directors of Suominen Corporation resolved on May 19, 2023, to establish a new share-based incentive plan for the company's President & CEO. The aim of the plan is to align the objectives of the shareholders and the President & CEO in order to increase the value of Suominen in the long-term, to retain the President & CEO at the company, and to offer him a competitive reward plan that is based on acquiring, receiving and accumulating the company's shares.

Under the plan the President & CEO is expected to own or acquire up to 30,000 shares of Suominen Corporation at a price formed in public trading on Nasdaq Helsinki. Suominen will match the share investment by way of the President & CEO receiving, without consideration, up to 60,000 matching shares (gross, including also the proportion to be paid in cash).

The plan includes three vesting periods, June 1, 2023–June 1, 2024, June 1, 2023–June 1, 2025, and June 1, 2023–June 1, 2026. The potential reward will be paid partly in shares and partly in cash in three equal installments after each vesting period, provided that the President & CEO's service in the company is in force at the time of the reward payment. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the President & CEO. The first vesting period ended in June 2024, and in total 9,556 shares were transferrerd to the President & CEO.

Accounting principles

The fair values of the shares to be potentially settled based on the share-based plans are measured at grant dates based on the market value of the share. If the plan includes market conditions, they are taken into account in the fair value. The fair value is recognized in profit or loss during the vesting period.

When the vesting conditions of a share-based incentive plan include market conditions, such as TSR ("Total Shareholder Return"), the fair value measured at grant date will not be subsequently changed and the cost estimate recognized will not be reversed, if the market condition does not vest. If the other vesting conditions of the plan (such as service condition and result based conditions) are not fulfilled, the cost estimates based on these conditions are reversed.

Suominen has share-based payment transactions which have net settlement features for withholding tax obligations. At the time of exercise or vesting Suominen withholds a number of shares that is equal to the monetary value of the employee's tax obligation from the total number of shares that would have otherwise been issued to the employee, and transfers the amount in cash to tax authorities on behalf of the employee. In accordance with IFRS 2, in these cases both the portion settled in shares and the portion settled in cash are recognized in equity and also the fair value of the cash portion is based on the fair value at grant date.

Measurement of instruments granted during the reporting period

Share price at grant date, EUR	2.65
Volatility assumption, %	38%
Expected dividends, EUR	0.32
Effect of market condition in fair value, %	-38%
Valuation model	Binomial model
Fair value per share, EUR	1.44

Effect on the profit for the period and on financial position in 2024

EUR thousand	
Expense (-) for the reporting period	-528
Recognized in equity during 2024, net	511
Liability on December 31, 2024	12
Estimate of the amount for settling the employees' tax obligation on December 31, 2024	340

Information on share-based incentive plans

	Share-based incentive plan 2022–2024	Share-based incentive plan 2023–2025	Share-based incentive plan 2024–2026	CEO's Matching Share Plan	**Total / weighted average**
Maximum number of shares, including the portion to be settled in cash	401,000	793,500	1,090,349	60,000	**2,344,849**
Initial grant date	February 2, 2022	February 2, 2023	February 6, 2024	May 19, 2023	
Vesting date	March 21, 2025	March 21, 2026	March 21, 2027	June 1, 2025; June 1, 2026	
Vesting conditions	Total shareholder return (TSR)	Total shareholder return (TSR)	Total Shareholder Return (TSR) and raw material efficiency	Shareholding requirement	
	Employment precondition until reward payment	Employment precondition until reward payment	Employment precondition until reward payment	Employment precondition until reward payment	
Maximum contractual life, years	3.1	3.1	3.1	3.0	
Remaining contractual life, years	0.2	1.2	2.2	1.9	**1.7**
Number or persons at the end of reporting period	16	17	22	1	
Payment method	Shares and cash	Shares and cash	Shares and cash	Shares and cash	

Changes in 2024	Share-based incentive plan 2022–2024	Share-based incentive plan 2023–2025	Share-based incentive plan 2024–2026	CEO's Matching Share Plan	**Total**
Outstanding at the beginning of the period	222,000	687,000	–	60,000	**969,000**
Granted	–	–	1,090,349	–	**1,090,349**
Forfeited	-91,500	-186,500	-245,158	–	**-523,158**
Exercised	–	–	–	-20,000	**-20,000**
Outstanding at the end of the period	**130,500**	**500,500**	**845,191**	**40,000**	**1,516,191**

NOTE 28 Earnings per share

Profit for the period

EUR thousand	2024	2023
Profit for the period	**-5,290**	**-12,786**

Number of shares

	2024	2023
Average share-issue adjusted number of shares	57,713,587	57,656,044
Average diluted share-issue adjusted number of shares excluding treasury shares	57,878,570	57,738,524

Earnings per share

EUR	2024	2023
Basic	-0.09	-0.22
Diluted	-0.09	-0.22

Calculation of earnings per share

Basic earnings per share are calculated by dividing the net result attributable to owners of the parent by the weighted share-issue adjusted average number of shares outstanding during the reporting period, excluding shares acquired by the Group and held as treasury shares.

When calculating diluted earnings per share the number of shares is adjusted with the effects of the share-based incentive plans.

NOTE 29 Adjustments to statement of cash flows

EUR thousand

Adjustments to cash flow from operations

	2024	2023
Adjustments to profit for the period		
Income taxes	-53	-719
Financial income and expenses	4,086	5,987
Depreciation, amortization and impairment losses	18,431	18,680
Gains and losses from disposal of property, plant and equipment and intangible assets	-112	-36
Other non-cash flow items in profit for the period	-1,108	2,699
Total	**21,244**	**26,612**

NOTE 30 Information about key management personnel

Management remuneration

Remuneration of the Board of Directors

as paid	2024		2023	
EUR	annual fee	meeting fee	annual fee	meeting fee
Charles Héaulmé, Chair of the Board of Directors from April 4, 2024	74,000	7,000	–	–
Jaakko Eskola, Chair of the Board of Directors until April 4, 2024	–	500	70,000	6,000
Andreas Ahlström, Deputy Chair of the Board	45,000	11,000	33,000	5,500
Aaron Barsness	35,000	14,500	33,000	9,000
Björn Borgman	35,000	9,000	33,000	8,500
Nina Linander	45,000	11,500	43,000	9,500
Laura Remes	35,000	9,500	33,000	4,000
Laura Raitio until April 3, 2023	–	–	–	1,500
Total	**269,000**	**63,000**	**245,000**	**44,000**

The Annual General Meeting held on April 4, 2024, resolved that 25% of the annual remuneration for the Board of Directors is paid in Suominen Corporation's shares. The number of shares transferred to the members of the Board of Directors as their remuneration payable in shares for 2024 was 25,088 shares. The shares were transferred on May 16, 2024, and the value of the transferred shares totaled EUR 67,236.

The members of the Board of Directors have no pension arrangements with Suominen. In accordance with the pension laws in Sweden, the fees paid to the Swedish members of the Board are subject to employment pension contributions. These pension contributions were EUR 16,215 (in 2023: EUR 14,702)

The members of the Board of Directors have no specific agreements related to termination of the membership in the Board due to a public tender offer.

Remuneration of the President & CEO

Tommi Björnman
as paid

EUR	2024	2023*
Salaries	480,489	385,000
Paid bonuses	58,242	–
Share-based payments	54,422	–
Total salaries	593,153	385,000
Fringe benefits	11,017	180
Total	**604,170**	**385,180**
Statutory pensions	93,457	64,132
Supplementary pensions	53,130	39,848

* From April 1, 2023

A written contract has been made with the President & CEO, Tommi Björnman. Based on the agreement he has a six-month period of notice. Should the company terminate the contract, additional compensation corresponding to the 12 months' salary will also be paid. The President & CEO has a supplementary pension plan, with a cost of 11.5% of his annual base salary. The supplementary pension arrangement grants pension benefits at the age of 63. The President & CEO has no specific agreement related to termination of contract due to a public tender offer.

Klaus Korhonen, SVP, HR and Legal, acted as the interim CEO from November 30, 2022 until March 31, 2023. His post as the interim CEO ended when the new CEO Tommi Björnman joined Suominen on April 1, 2023. During the time Klaus Korhonen acted as the interim CEO, he received increased base salary without any specific extra benefits. His salary during January 1–March 31, 2023 was EUR 59,400, fringe benefits EUR 3,000 and statutory pensions EUR 12,976.

Remuneration of other members of the Executive Team

as paid

EUR	2024	2023
Salaries	849,958	920,779
Paid bonuses	65,814	57,886
Sevarance payments	153,495	84,010
Share-based payments	–	548,417
Total salaries	1,069,267	1,611,092
Fringe benefits	41,358	88,078
Total	**1,110,625**	**1,699,170**
Statutory pensions	140,223	129,906
Supplementary pensions	–	20,000

The members of the Executive Team have normally no other pension arrangements than statutory pensions. Supplementary pension arrangements in the USA are included in statutory pensions. The retirement age of other members of the Executive Team is according to the normal local legislation.

A rental agreement of an office has been made with a company which is controlled by a member of the Suominen Executive Team. The paid rents were EUR 4.8 thousand in 2024 (EUR 1 thousand in 2023).

Management's share ownership

number of shares

	December 31, 2024	December 31, 2023
Board of Directors		
Charles Héaulmé, Chair of the Board of Directors from April 4, 2024	19,902	–
Jaakko Eskola, Chair of the Board of Directors until April 4, 2024	–	26,166
Andreas Ahlström, Deputy Chair of the Board	30,989	26,792
Aaron Barsness	8,723	5,459
Björn Borgman	28,166	24,902
Nina Linander	31,828	27,631
Laura Remes	6,220	2,956
Total	**125,828**	**113,906**
Total % of shares and votes	0.22%	0.20%
Executive Team		
Tommi Björnman	39,556	30,000
Jonni Friman	–	–
Markku Koivisto	53,172	53,172
Klaus Korhonen	–	52,630
Mimoun Saïm	–	92,923
Janne Silonsaari	–	–
Total	**92,728**	**228,725**
Total % of shares and votes	0.16%	0.39%

Share-based incentives plans are disclosed in Note 27 of the consolidated financial statements. The accrual, excluding social costs, based on the non-vested share-based incentive plans in accordance with IFRS standards was EUR 345 thousand for the related parties for the reporting period.

NOTE 31 Contingent liabilities

EUR thousand

	2024	2023
Guarantees and other commitments		
Guarantees on own commitments	1,921	2,440
Other own commitments	18,307	16,774
Total	**20,228**	**19,214**
Other contingencies		
Contractual commitments to acquire property, plant and equipment	11,267	1,368
Commitments to leases not yet commenced	274	1,485
Total	**11,541**	**2,853**

Guarantees on own commitments are guarantees given to suppliers.

Some subsidiaries of Suominen have guaranteed the external loans of Suominen Corporation. The maximum guaranteed amount is the unpaid principal of the loans and unpaid accrued interest expenses at the end of the reporting period.

Minimum lease payments under non-cancellable operating leases in future periods are disclosed in Note 21.

Accounting principles – contingent liabilities

A contingent liability is a possible obligation which is not recognized as a liability in the statement of financial position as, for example, its existence is not yet confirmed and is not in control of the company. The management uses estimates to assess the amount of contingent liabilities.

NOTE 32 Events after the reporting period

Proposals by the Nomination Board to the Annual General Meeting 2025 of Suominen

On January 27, 2025, Suominen announced, that the Shareholders' Nomination Board of Suominen Corporation proposes to the Annual General Meeting 2025 that the number of Board members will be increased from six to seven.

The Nomination Board proposes to the Annual General Meeting that Andreas Ahlström, Björn Borgman, Charles Héaulmé, Nina Linander and Laura Remes would be re-elected as members of the Board of Directors and that Gail Ciccione and Maija Joutsenkoski would be elected as new members of the Board of Directors.

Gail Ciccione (b. 1960, BBA, U.S. citizen) is currently the business owner of Trinity Operations Partner, LLC. Prior to that, she has held a number of executive positions at Laborie Medical Technologies, Becton Dickinson and Kimberly-Clark.

Maija Joutsenkoski (b. 1981, M.Sc. (Technology), Finnish citizen) currently works as an Investment Director at A. Ahlström Corporation. Prior to that, she has held a number of executive and other positions at CapMan Buyout, UPM, Nordic Capital and Goldman Sachs.

The Nomination Board proposes to the Annual General Meeting that Charles Héaulmé would be re-elected as the Chair of the Board of Directors.

The Nomination Board proposes that the remuneration of the Board of Directors remains unchanged and would be as follows: the Chair would be paid an annual fee of EUR 74,000, the Deputy Chair an annual fee of EUR 45,000 and other Board members an annual fee of EUR 35,000. The Nomination Board also proposes that the additional fee paid to the Chair of the Audit Committee would remain unchanged and be EUR 10,000.

Further, the Nomination Board proposes that the fees payable for each Board and Committee meeting would remain unchanged and be as follows: EUR 500 for each meeting held in the home country of the respective member, EUR 1,000 for each meeting held elsewhere than in the home country of the respective member and EUR 500 for each meeting attended by telephone or other electronic means. No fee is paid for decisions made without convening a meeting.

75% of the annual fees is paid in cash and 25% in Suominen Corporation's shares. The shares will be transferred out of the own shares held by the company by the decision of the Board of Directors within two weeks from the date on which the interim report of January–March 2025 of the company is published.

Compensation for expenses will be paid in accordance with the company's valid travel policy.

Commencement of a new plan period in the share-based long-term incentive plan for management and key employees

Suominen announced on January 27, 2025, that the Board of Directors of Suominen Corporation has decided on the commencement of a new long-term incentive plan period covering the years 2025–2027 for management and key employees.

The purpose of the plan is to align the interests of the company's shareholders and key employees to increase the company's value in the long-term, to commit key employees to implement the company's strategy, objectives and long-term interest, and to reward them for high performance.

The performance criteria of the performance period 2025–2027 are tied to Absolute Total Shareholder Return (weight 40%) covering the years 2025–2027, Relative Total Shareholder Return (weight 40%) covering the years 2025–2027, and operative performance and sustainability goal (weight 20%) covering the year 2025 and measuring the company's target to improve its raw material efficiency. The potential rewards from the plan will be paid after the end of the performance period.

The value of the rewards to be paid on the basis of the plan corresponds to a maximum total of 1,375,431 shares of Suominen, including also the proportion to be paid in cash. The target group in the performance period 2025–2027 consists of 28 key employees, including the President & CEO and other members of the Executive Management Team.

The potential reward will be paid partly in Suominen's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the key employee. As a rule, no reward will be paid if the key employee's employment or director contract terminates before the reward payment.

The Executive Management Team member must hold 50% of the received shares until the value of the Executive Management Team member's total shareholding in Suominen equals to 50% of the member's annual gross salary for the calendar year preceding the payment of the reward. Respectively, the President & CEO must hold 50% of the received shares until the value of the President & CEO's total shareholding in Suominen equals to the value of the President & CEO's annual gross salary for the calendar year preceding the payment of the reward. Such number of Suominen shares must be held as long as the membership in the Executive Management Team or the position as the President & CEO continues.

Darryl Fournier appointed as the COO of Suominen

Suominen announced on January 27, 2025, that Darryl Fournier has been appointed as the Chief Operating Officer at Suominen. He became a member of Suominen's Executive Management Team and reports to President & CEO Tommi Björnman. Fournier started in his new position on February 10, 2025.

Key ratios per share

Key ratios per share are share-issue adjusted.

	2024	2023	2022
Earnings per share, EUR	-0.09	-0.22	-0.24
Earnings per share, EUR, diluted	-0.09	-0.22	-0.24
Cash flow from operations per share, EUR	0.07	0.53	0.24
Equity per share, EUR	2.04	2.17	2.54
Price per earnings per share (P/E) ratio	-24.87	-12.85	-12.43
Dividend per share, total, EUR*	0.00	0.10	0.10
Dividend payout ratio, %	N/A	-45.1	-41.4
Dividend yield, %	N/A	3.51	3.33
Number of shares, end of period, excluding treasury shares	57,727,103	57,692,459	57,480,727
Average number of shares excluding treasury shares	57,713,587	57,656,044	57,439,615
Average share-issue adjusted number of shares excluding treasury shares	57,713,587	57,656,044	57,439,615
Share price, end of period, EUR	2.28	2.85	3.00
Share price, period low, EUR	1.96	2.48	2.36
Share price, period high, EUR	2.93	3.48	5.27
Volume-weighted average price during the period, EUR	2.53	2.85	3.57
Market capitalization, EUR million	131.6	164.4	172.4
Number of traded shares during the period	951,426	2,743,668	10,902,032
Number of traded shares during the period, % of average number of shares (share turnover)	1.7	4.8	19.0

* Proposal by the Board of Directors to the Annual General Meeting

Calculation of key ratios per share

Key ratios per share are either IFRS key ratios (earnings per share) or required by Ordinance of the Ministry of Finance in Finland or alternative performance measures (cash flow from operations per share).

Earnings per share

Basic earnings per share (EPS) = $\dfrac{\text{Profit for the period}}{\text{Share-issue adjusted average number of shares excluding treasury shares}}$

Diluted earnings per share (EPS) = $\dfrac{\text{Profit for the period}}{\text{Average diluted share-issue adjusted number of shares excluding treasury shares}}$

Calculation of earnings per share is disclosed in Note 28.

Cash flow from operations per share

Cash flow from operations per share = $\dfrac{\text{Cash flow from operations}}{\text{Share-issue adjusted number of shares excluding treasury hares, end of the reporting period}}$

Reference		2024	2023
Consolidated statement of cash flows	Cash flow from operations, EUR thousand	3,857	30,724
Note 13	Share-issue adjusted number of shares excluding treasury shares, end of the reporting period	57,727,103	57,692,459
	Cash flow from operations per share, EUR	0.07	0.53

Equity per share

Equity per share = $\dfrac{\text{Total equity attributable to owners of the parent}}{\text{Share-issue adjusted number of shares excluding treasury shares, end of the reporting period}}$

Reference		2024	2023
Consolidated statement of financial position	Total equity attributable to owners of the parent, EUR thousand	117,608	124,912
Note 13	Share-issue adjusted number of shares excluding treasury shares, end of the reporting period	57,727,103	57,692,459
	Equity per share, EUR	2.04	2.17

Dividend payout ratio, %

Dividend payout ratio, % = $\frac{\text{Dividend per share x 100}}{\text{Basic earnings per share}}$

Reference		2024	2023
The proposal by the Board	Dividend per share x 100	0.00	10.00
Note 28	Basic earnings per share, EUR	-0.09	-0.22
	Dividend payout ratio, %	N/A	-45.1

Dividend yield, %

Dividend yield, % = $\frac{\text{Dividend per share x 100}}{\text{Share price at end of the period}}$

Reference		2024	2023
	Dividend per share x 100	0.00	10.00
Note 13	Share price at end of the period, EUR	2.28	2.85
	Dividend yield, %	N/A	3.51

Price per earnings per share (P/E)

Price per earnings per share (P/E) = $\frac{\text{Share price at end of the period}}{\text{Basic earnings per share}}$

Reference		2024	2023
Note 13	Share price at end of the period, EUR	2.28	2.85
Note 28	Basic earnings per share, EUR	-0.09	-0.22
	Price per earnings per share (P/E)	-24.87	-12.85

Market capitalization

Market capitalization = Number of shares at the end of reporting period excluding treasury shares x share price at the end of period

Reference		2024	2023
Note 13	Number of shares at the end of reporting period excluding treasury shares	57,727,103	57,692,459
Note 13	Share price at end of the period, EUR	2.28	2.85
	Market capitalization, EUR million	131.6	164.4

Share turnover

Share turnover	=	The proportion of number of shares traded during the period to weighted average number of shares excluding treasury shares

Reference		2024	2023
Note 13	Number of shares traded during the period	951,426	2,743,668
Note 13	Average number of shares excluding treasury shares	57,713,587	57,656,044
	Share turnover, %	1.7	4.8

Parent company financial statements (FAS)

Income statement

EUR

	Note	January 1–December 31, 2024	January 1–December 31, 2023
Net sales		**28,362,537.37**	**23,263,727.25**
Cost of goods sold		-3,786,863.40	-3,737,356.29
Gross profit		**24,575,673.97**	**19,526,370.96**
Other operating income	2	382,008.70	389,985.58
Sales and marketing expenses		-1,651,006.71	-1,771,352.90
Research and development		-1,073,766.16	-1,124,270.20
Administration expenses		-10,798,106.62	-9,210,342.61
Other operating expenses	2	-9,077,480.29	-7,426,244.77
Operating profit		**2,357,322.89**	**384,146.06**
Financial income	6	15,885,810.36	14,634,238.97
Financial expenses	6	-4,918,556.92	-7,922,088.66
Total financial income and expenses		**10,967,253.44**	**6,712,150.31**
Profit before appropriations and income taxes		**13,324,576.33**	**7,096,296.37**
Change in depreciation difference	7	174,088.55	81,620.37
Group contributions	7	-3 635 000.00	-1,125,000.00
Income taxes	8	-1,637,495.41	-35,792.08
Profit for the period		**8,226,169.47**	**6,017,124.66**

Balance sheet

EUR

	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Intangible assets	5, 9	2,576,497.98	5,038,299.43
Tangible assets	5, 10	1,212,515.69	750,812.36
Investments			
Shares in subsidiaries	11	113,363,783.56	113,363,783.56
Other investments	11	192.06	192.06
Loan receivables			
Loan receivables from group companies	12	89,220,975.84	86,478,329.49
Total non-current assets		**206,373,965.13**	**205,631,416.90**
Current assets			
Loan receivables			
Loan receivables from group companies	12	14,403,916.05	4,000,000.00
Trade receivables	12	69,346.49	70,002.42
Other current receivables	12	1,702,708.74	2,920,280.88
Cash and cash equivalents		37,799,925.53	53,688,029.66
Total current assets		**53,975,896.81**	**60,678,312.96**
TOTAL ASSETS		**260,349,861.94**	**266,309,729.86**

EUR

	Note	December 31, 2024	December 31, 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	14	11,860,056.00	11,860,056.00
Share premium account		24,680,587.83	24,680,587.83
Reserve for invested unrestricted equity		75,692,335.90	75,692,335.90
Retained earnings		10,569,263.75	10,321,384.99
Profit for the period		8,226,169.47	6,017,124.66
Total equity	**13**	**131,028,412.95**	**128,571,489.38**
Untaxed reserves			
Depreciation difference		1,020,412.03	1,194,500.58
Liabilities			
Non-current liabilities			
Interest-bearing liabilities			
Debentures	15	50,000,000.00	50,000,000.00
Total non-current liabilities		**50,000,000.00**	**50,000,000.00**
Current liabilities			
Interest-bearing liabilities			
Loans from financial institutions	15	40,000,000.00	40,000,000.00
Current loans from group companies	15	30,676,964.77	42,145,925.92
Trade payables and other current liabilities	16	7,624,072.19	4,397,813.98
Total current liabilities		**78,301,036.96**	**86,543,739.90**
Total liabilities		**128,301,036.96**	**136,543,739.90**
TOTAL EQUITY AND LIABILITIES		**260,349,861.94**	**266,309,729.86**

Cash flow statement

EUR thousand

	Note	January 1–December 31, 2024	January 1–December 31, 2023
Cash flow from operations			
Profit for the period		**8,226**	**6,017**
Adjustments to profit for the period	18	-3,243	-2,843
Cash flow from operations before change in net working capital		**4,983**	**3,174**
Increase (-) or decrease (+) in trade and other receivables		-109	-23
Increase (+) or decrease (-) in interest-free current liabilities		687	-597
Cash flow from operations before payments of financial items and income taxes		**5,560**	**2,554**
Paid and received interests and other financial items		3,977	1,535
Group contribution paid		-1,125	–
Paid income taxes		-329	-1,079
Cash flow from operations		**8,083**	**3,010**
Cash flow from investments			
Capital expenditure	9, 10	-641	-478
Proceeds from sale of fixed assets	9, 10	2	–
Dividend income from subsidiaries	6	2,374	5,891
Cash flow from investments		**1,735**	**5,413**
Cash flow from financing			
Change in current interest-bearing liabilities	15	-12,899	6,573
Change in non-current loan receivables		1,000	-16,537
Change in current loan receivables		-10,404	19,639
Distribution of dividend	13	-5,769	-5,767
Cash flow from financing		**-28,072**	**3,908**
Change in cash and cash equivalents		**-18,253**	**12,332**
Cash and cash equivalents 1 January		**53,688**	**42,441**
Exchange difference on cash and cash equivalents		2,365	-1,084
Change in cash and cash equivalents		-18,253	12,332
Cash and cash equivalents 31 December		**37,800**	**53,688**

NOTE 1 Accounting policies

Suominen Corporation is a public limited liability company organized under the laws of the Republic of Finland and domiciled in Helsinki, Finland (address: Keilaranta 13 A, 02150 Espoo, Finland). Suominen's shares are publicly traded in Nasdaq Helsinki Ltd. (Mid Cap). Suominen Corporation is the parent company of the Group.

The financial statements of Suominen Corporation are prepared in accordance with Finnish Accounting Standards (FAS). The consolidated financial statements of Suominen Group are prepared in accordance with IFRS Accounting Standards, and Suominen Corporation applies in its separate financial statements the same accounting principles as Suominen Group to the extent it is possible within the framework of Finnish accounting practice. The accounting principles of Suominen Group are presented in the notes to the consolidated financial statements.

The main differences in the accounting principles between Suominen Corporation's separate financial statements and Suominen Group's consolidated financial statements are presented beside.

Net sales

Net sales consist of sales of services to group companies and of royalty income.

Financial assets and liabilities and derivative instruments

Financial assets and liabilities are recognized at cost or at cost less impairment losses.

Leases

Lease payments are recognized as lease expenses. Leasing obligations are presented as contingent liabilities.

Debentures

Debentures are presented at nominal value in the balance sheet, and periodized transaction costs are recognized in prepayments.

Untaxed reserves

Untaxed reserves consist of a depreciation difference. This difference between scheduled depreciation and amortization and the depreciation and amortization deducted in arriving to taxable profit is presented as a separate item in the income statement and in the balance sheet.

Group contributions

Group contributions given are presented as appropriations.

NOTE 2 Other operating income and expenses

EUR thousand

	January 1– December 31, 2024	January 1– December 31, 2023
Other operating income		
Operating subsidies and grants received	276	140
Other operating income from group companies	98	–
Other operating income	8	250
Total	**382**	**390**

Other operating expenses		
Services purchased from group companies	-9,051	-7,426
Other operating expenses	-27	0
Total	**-9,077**	**-7,426**

NOTE 3 Personnel expenses

EUR thousand

	January 1– December 31, 2024	January 1– December 31, 2023
Salaries	-4,382	-4,021
Pension expenses	-735	-673
Other personnel costs	-170	-181
Total	**-5,286**	**-4,875**

Average number of personnel	35	35
Number of personnel, end of period	33	37

Management remuneration

Management remuneration is presented in Note 30 of the consolidated financial statements.

NOTE 4 Audit fees

EUR thousand

	January 1– December 31, 2024	January 1– December 31, 2023
Statutory audit	-267	-159
Other services	-20	-4
Total	**-287**	**-163**

Ernst & Young Oy (EY) has been acting as the principal auditor of the Group and the parent company since the Annual General Meeting of 2015.

NOTE 5 Depreciation, amortization and impairment

EUR thousand

	January 1– December 31, 2024	January 1– December 31, 2023
Depreciation, amortization and impairment by function		
Cost of goods sold	-959	-1,063
Sales and marketing expenses	-442	-461
Research and development	-105	-108
Administration expenses	-1,120	-1,158
Total	**-2,626**	**-2,790**

Depreciation, amortization and impairment by asset category		
Machinery and equipment	-55	-40
Intangible rights	-2,571	-2,750
Total	**-2,626**	**-2,790**

NOTE 6 Financial income and expenses

EUR thousand

	January 1–December 31, 2024	January 1–December 31, 2023
Interest income from others	7,494	7,421
Dividend income from group companies	1,255	1,225
Other financial income from group companies	2,374	5,891
Other financial income from group companies	84	97
Net currency exchange differences	4,678	-2,649
Interest expenses to group companies	-454	-525
Interest expenses to others	-3,225	-3,294
Other financial expenses to others	-1,239	-1,454
Total	**10,967**	**6,712**

NOTE 7 Appropriations

EUR thousand

	January 1–December 31, 2024	January 1–December 31, 2023
Increase (-) or decrease (+) in cumulative depreciation difference	174	82
Given group contributions	-3,635	-1,125
Total	**-3,461**	**-1,043**

NOTE 8 Income taxes

EUR thousand

	January 1–December 31, 2024	January 1–December 31, 2023
Income taxes for the financial year	-1,665	-32
Withholding taxes and other direct taxes	-3	–
Income taxes from previous years	31	-4
Total	**-1,637**	**-36**

NOTE 9 Intangible assets

EUR thousand

	Intangible rights	Advance payments and construction in progress	**Total 2024**	Total 2023
Acquisition cost January 1	**21,258**	**36**	**21,295**	21,565
Additions	78	32	**109**	151
Decreases and disposals	-1,834	–	**-1,834**	-422
Reclassifications	6	-6	**–**	–
Acquisition cost December 31	**19,507**	**62**	**19,570**	21,295
Accumulated amortization January 1	**-16,256**	**–**	**-16,256**	-13,928
Amortization for the period	-2,571	–	**-2,571**	-2,750
Decreases and disposals	1,834	–	**1,834**	422
Accumulated amortization December 31	**-16,993**	**–**	**-16,993**	-16,256
Carrying amount December 31	**2,514**	**62**	**2,576**	5,038

NOTE 10 Tangible assets

EUR thousand

	Land and water areas	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	**Total 2024**	Total 2023
Acquisition cost January 1	**0**	**308**	**31**	**668**	**1,007**	676
Additions	–	62	1	456	**518**	332
Decreases and disposals	–	-79	-13	–	**-92**	-1
Reclassifications	–	108	52	-160	**–**	–
Acquisition cost December 31	**0**	**398**	**70**	**964**	**1,433**	1,007
Accumulated depreciation January 1	**–**	**-243**	**-13**	**–**	**-256**	-217
Depreciation for the period	–	-50	-4	–	**-55**	-40
Decreases and disposals	–	77	13	–	**90**	1
Accumulated depreciation December 31	**–**	**-216**	**-4**	**–**	**-220**	-256
Carrying amount December 31	**0**	**182**	**66**	**964**	**1,213**	751

NOTE 11 Investments

EUR thousand

	Shares in group companies	Other investments	**Total 2024**	Total 2023
Carrying amount January 1	**113,364**	**0**	**113,364**	113,364
Carrying amount December 31	**113,364**	**0**	**113,364**	113,364

Group companies are presented in Note 8 of the consolidated financial statements.

	Share of shares and votes, %	Number of shares	Nominal value of shares, EUR thousand	Carrying amount of shares, EUR thousand	Equity of the company, EUR thousand	Profit/loss in the latest financial statements, EUR thousand
Kiinteistö Oy Killinpolku, Virrat, Finland	25.0	1	8	0	N/A	N/A

NOTE 12 Receivables

EUR thousand

	December 31, 2024	December 31, 2023
Non-current receivables from group companies		
Interest-bearing receivables	89,221	86,478
Total	**89,221**	**86,478**
Total non-current receivables	**89,221**	**86,478**
Current receivables		
Other receivables	**121**	**79**
Prepaid expenses and accrued income		
Income taxes	233	1,449
Transaction costs of loans	624	735
Prepaid expenses	725	657
Total prepaid expenses and accrued income	**1,582**	**2,841**
Current receivables from group companies		
Trade receivables	69	70
Interest-bearing receivables	14,404	4,000
Total	**14,473**	**4,070**
Total other current receivables	**16,176**	**6,990**

NOTE 13 Equity

EUR thousand

	December 31, 2024	December 31, 2023
Share capital January 1 and December 31	11,860	11,860
Share premium account January 1 and December 31	24,681	24,681
Reserve for invested unrestricted equity January 1 and December 31	75,692	75,692
Retained earnings January 1	**16,339**	**16,088**
Distribution of dividend	-5,769	-5,767
Retained earnings December 31	**10,569**	**10,321**
Profit for the period	8,226	6,017
Equity December 31	**131,028**	**128,571**

Distributable funds

EUR	December 31, 2024
Retained earnings December 31	10,569,264
Reserve for invested unrestricted equity 31.12.	75,692,336
Profit for the period	8,226,169
Distributable funds	**94,487,769**

Funds available for dividend distribution

EUR	
Retained earnings December 31	10,569,264
Profit for the period	8,226,169
Funds available for dividend distribution	**18,795,433**

NOTE 14 Share capital

Share capital and shares are presented in Note 13 of the consolidated financial statements.

NOTE 15 Interest-bearing liabilities

EUR thousand

	December 31, 2024	December 31, 2023
Non-current interest-bearing liabilities		
Debentures	50,000	50,000
Total non-current interest-bearing liabilities	**50,000**	**50,000**
Current interest-bearing liabilities		
Loans from financial institutions	40,000	40,000
Loans from group companies	30,677	42,146
Total current interest-bearing liabilities	**70,677**	**82,146**
Total interest-bearing liabilities	**120,677**	**132 146**

Repayments of external non-current interest-bearing liabilities

	2025	2026	2027	2028	2029
Debentures	–	–	50,000	–	–

NOTE 16 Interest-free liabilities

EUR thousand

	December 31, 2024	December 31, 2023
Current interest-free liabilities		
Trade payables	1,744	1,245
Income tax liability	92	–
Other current liabilities	144	154
Total current interest-free liabilities	**1,979**	**1,399**
Accrued expenses		
Accrued interest expenses	578	626
Accrued personnel expenses	894	894
Other accrued expenses	538	353
Total accrued expenses	**2,010**	**1,874**
Liabilities to group companies		
Other liabilities to group companies	3,635	1,125
Total	**3,635**	**1,125**
Total current interest-free liabilities	**7,624**	**4,398**

NOTE 17 Contingent liabilities

EUR thousand

	December 31, 2024	December 31, 2023
Guarantees		
On behalf of group companies	11,558	12,888
On own behalf	84	–
Total	**11,642**	**12,888**

Guarantees on behalf of group companies are guarantees given to suppliers and lessors.

Rental and leasing obligations		
Falling due within next 12 months	333	221
Falling due later	1,212	1,360
Total	**1,545**	**1,581**

NOTE 18 Adjustments to cash flow statement

EUR thousand

	January 1–December 31, 2024	January 1–December 31, 2023
Adjustment to profit / loss for the period		
Change in depreciation difference	-174	-82
Group contributions	3,635	1,125
Financial income and expenses	-10,967	-6,712
Income taxes	1,637	36
Depreciation and amortization	2,626	2,790
Total adjustments to profit for the period	**-3,243**	**-2,843**

Company information

Homepage of reporting entity	www.suominen.fi
LEI code of reporting entity	743700Z1BNFYR9PRDF52
Name of reporting entity or other means of identification	Suominen Oyj
Domicile of entity	Helsinki
Legal form of entity	Public limited liability company
Country of incorporation	Finland
Address of entity's registered office	Keilaranta 13 A, 02150 Espoo, Finland
Principal place of business	Espoo
Description of nature of entity's operations and principal activities	Manufacturing of nonwovens as roll goods for wipes and other applications
Name of parent entity	Suominen Oyj

Proposal by the board of directors for distribution of funds

The profit of the financial year 2024 of Suominen Corporation, the parent company of Suominen Group, was EUR 8,226,169.47. The funds distributable as dividends, including the profit for the period, were EUR 18,795,433 and total distributable funds were EUR 94,487,769.

The Board of Directors proposes that no dividend shall be distributed for the financial year 2024 and that the profit shall be transferred to retained earnings.

There have been no significant changes in the company's financial position after the end of the review period.

The financial statements of Suominen Corporation are prepared in accordance with Finnish Accounting Standards (FAS). The consolidated financial statements of Suominen Group are prepared in accordance with IFRS accounting standards. The financial statements of Suominen Corporation as well as the consolidated financial statements give a true and fair view of both Suominen Corporation's and the group companies' assets, obligations, financial position and profit or loss.

Suominen Corporation's Report by the Board of Directors includes a commentary which gives a true view of the business development and result of Suominen Corporation and its group companies as well as a description of material business risks and uncertainties and of the state of the company.

The sustainability report included in Suominen Corporation's Report by the Board of Directors is prepared in accordance with Chapter 7 of the Finnish Accounting Act and Article 8 of the taxonomy regulation by European Union.

Espoo March 4th, 2025

Charles Héaulmé
Chair of the Board

Andreas Ahlström

Björn Borgman

Aaron Barsness

Nina Linander

Laura Remes

Tommi Björnman
President and CEO

Auditor's report (Translation of the Finnish original)

To the Annual General Meeting of Suominen Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Suominen Corporation (business identity code 1680141-9) for the year ended 31 December, 2024. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for opinion

auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in Note 22 to the consolidated financial statements and Note 4 to the parent company financial statements.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition *We refer to the Group's Note 18* Revenues of Suominen Group consist entirely of sales of nonwovens to customers. Revenue from customer contracts is recognised at a point in time, when the control of the underlying products has been transferred to the customer, typically at the time when the products are shipped from Suominen's factory. Revenue is a key performance measure used by the Group, which could create an incentive for premature revenue recognition. Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) due to the risk related to incorrect timing (cut-off) of revenue recognition.	Our audit procedures to address the risk of material misstatement relating to revenue recognition, included, among others: - assessing the Group's accounting policies over - revenue recognition and comparing them with - applicable accounting standards; - assessing the revenue recognition process and methodologies and testing controls where applicable; - obtaining confirmations of accounts receivable balances from customers and analyzed credit invoices issued after the balance sheet date; - testing revenue recognition on sample basis and performing substantive analytical procedures including sales cut-off procedures and - assessing the Group's disclosures in respect of revenues.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the Group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the Group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the

group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other reporting requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 19, 2015, and our appointment represents a total period of uninterrupted engagement of 10 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki March 4, 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Assurance report on the Sustainability Statement (Translation of the Finnish original)

To the Annual General Meeting of Suominen Corporation

We have performed a limited assurance engagement on the group sustainability statement of Suominen Corporation (1680141-9) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Suominen Corporation has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our responsibilities under this standard are further described in the *Responsibilities of the Group Sustainability Auditor* section of our report.

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

Other Matter

We draw attention to the fact that the group sustainability statement of Suominen Corporation that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability statement. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Suominen Corporation are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement.

We also:
- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

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. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. 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.

Our procedures included for ex. the following:
- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluate the regulatory compliance of the information provided.

Helsinki 4.3.2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Toni Halonen
Authorized Sustainability Auditor

Independent Auditor's Report on the ESEF Consolidated Financial Statements of Suominen Corporation (Translation of the Finnish original)

To the Board of Directors of Suominen Corporation

We have performed a reasonable assurance engagement on the financial statements 743700z1bnfyr9prdf52-2024-12-31-fi.zip of Suominen Corporation (y-identifier: 1680141-9) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

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

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Suominen Corporation 743700z1bnfyr9prdf52-2024-12-31-fi.zip for the financial year ended 31.12.2024 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Suominen Corporation for the financial year ended 31.12.2024 has been expressed in our auditor's report 4.3.2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 28.3.2025

Ernst & Young Oy
Authorized Public Accountant

Toni Halonen
Authorized Public Accountant

Key ratios

	2024	2023	2022
Net sales, EUR million	462.3	450.9	493.3
Comparable operating profit, EUR million	-1.4	-2.8	-4.2
% of net sales	-0.3	-0.6	-0.8
Operating profit, EUR million,	-1.3	-7.5	-9.0
% of net sales	-0.3	-1.7	-1.8
Comparable EBITDA, EUR million	17.0	15.8	15.3
% of net sales	3.7	3.5	3.1
EBITDA, EUR million	17.2	11.2	14.3
% of net sales	3.7	2.5	2.9
Profit before income taxes, EUR million	-5.3	-13.5	-11.9
% of net sales	-1.2	-3.0	-2.4
Profit for the period, EUR million	-5.3	-12.8	-13.9
% of net sales	-1.1	-2.8	-2.8
Cash flow from operations, EUR million	3.9	30.7	14.0
Total assets, EUR million	310.4	316.4	343.4
Return on equity (ROE), %	-4.4	-9.6	-8.8
Return on invested capital (ROI), %	-0.7	-4.1	-4.2
Equity ratio, %	37.9	39.5	42.5
Interest-bearing net debt, EUR million	60.8	44.1	54.6
Capital employed, EUR million	178.0	168.4	199.8
Gearing, %	51.7	35.3	37.4
Gross capital expenditure, EUR million	16.0	11.2	9.7
% of net sales	3.5	2.5	2.0
Depreciation, amortization and impairment losses, EUR million	-18.4	-18.7	-23.2
Expenditure on research and development, EUR million	4.0	3.9	3.5
as % of net sales	0.9	0.9	0.7
Average number of personnel (FTE - full time equivalent)	689	682	707

Calculation of key ratios

Some of Suominen's key ratios are alternative performance measures. An alternative performance measure is a key ratio which has not been defined in IFRS standards. Suominen believes that the use of alternative performance measures provides useful information for example to investors regarding the Group's financial and operating performance and makes it easier to make comparisons between the reporting periods.

Operating profit and comparable operating profit
Operating profit, or earnings before interest and taxes (EBIT) is an important measure of profitability as by ignoring income taxes and financial items it focuses solely on the company's ability to generate profit from operations. Operating profit is presented as a separate line item in the consolidated statement of profit or loss.

Operating profit (EBIT)	=	Profit before income taxes + net financial expenses
Comparable operating profit (comparable EBIT)	=	Profit before income taxes + net financial expenses, adjusted with items affecting comparability

In order to improve the comparability of result between reporting periods, Suominen presents comparable operating profit as an alternative performance measure. Operating profit is adjusted with material items that are considered to affect comparability between reporting periods. These items include, among others, impairment losses or reversals of impairment losses, gains or losses from the sales of property, plant and equipment or intangible assets or other assets and restructuring costs. In 2024 and 2023, items affecting comparability of result were expenses and impairment losses arising from the closure of the production lines in Italy. In addition, in 2024 the items affecting comparability included restructuring expenses.

Reference	EUR thousand	2024	2023
Consolidated statement of profit or loss	Operating profit	-1,257	-7,517
	+ Dismissal costs affecting comparability	1,605	2,207
	+ Restoration costs affecting comparability / reversals of restoration provisions	-1,435	2,344
	+ Other costs affecting comparability	4	116
	+ Other operating income, affecting comparability	-305	–
	+ Impairment losses of property, plant and equipment, affecting comparability of result	–	8
	+ Impairment losses of right-of-use assets, affecting comparability of result	3	108
	+ Impairment losses of inventories and reversals of the impairment losses, affecting comparability of result	-41	-16
	Comparable operating profit	-1,426	-2,750

EBITDA and comparable EBITDA

EBITDA is an important measure that focuses on the operating performance excluding the effect of depreciation and amortization, financial items and income taxes, in other words what is the margin on net sales after deducting operating expenses.

In order to improve the comparability of result between reporting periods, Suominen presents comparable EBITDA as an alternative performance measure. EBITDA is adjusted with material items that are considered to affect comparability between reporting periods. These items include, among others, gains or losses from the sales of property, plant and equipment or intangible assets or other assets and restructuring costs. In 2024 and 2023, the items affecting comparability of EBITDA were the expenses and impairment losses of inventory arising from the closure of the production lines in Italy. In addition, in 2024 the items affecting comparability included restructuring expenses.

EBITDA	=	EBIT + depreciation, amortization and impairment losses
Comparable EBITDA	=	EBIT + depreciation, amortization and impairment losses, adjusted with items affecting comparability

Reference	EUR thousand	2024	2023
Consolidated statement of profit or loss	Operating profit	-1,257	-7,517
Note 24	+ Depreciation, amortization and impairment losses	18,431	18,680
	EBITDA	17,174	11,163
	EBITDA	17,174	11,163
	+ Dismissal costs affecting comparability	1,605	2,207
	+ Restoration costs affecting comparability / reversals of restoration provisions	-1,435	2,344
	+ Other costs affecting comparability	4	116
	+ Other operating income, affecting comparability	-305	–
	+ Impairment losses of inventories and reversals of the impairment losses, affecting comparability of result	-41	-16
	Comparable EBITDA	17,001	15,813

Gross capital expenditure

Suominen considers gross capital expenditure as a relevant measure in order to understand for example how the Group maintains and renews its production machinery and facilities. The gross investments do not include increases in right-of-use assets.

Gross capital expenditure includes also capitalized borrowing costs.

Reference	EUR thousand	2024	2023
Note 6	Increases in intangible assets	109	169
Note 7	Increases in property, plant and equipment	15,895	11,054
	Gross capital expenditure	16,004	11,223

Cash and cash equivalents

Cash and cash equivalents = Cash + other financial assets

Interest-bearing net debt

Suominen considers interest-bearing net debt to be an important measure for investors to be able to understand the Group's indebtedness. It is the opinion of Suominen that presenting interest-bearing liabilities not only at amortized cost but also at nominal value gives relevant additional information to the investors.

Interest-bearing net debt = Interest-bearing liabilities at nominal value - interest-bearing receivables - cash and cash equivalents

Reference	EUR thousand	2024	2023
Note 14	Interest-bearing liabilities	101,760	102,278
	Tender and issuance costs of the debentures	394	551
Consolidated statement of financial position	Cash and cash equivalents	-41,340	-58,755
	Interest-bearing net debt	60,815	44,074
Note 14	Interest-bearing liabilities	101,760	102,278
	Tender and issuance costs of the debentures	394	551
Note 14	Nominal value of interest-bearing liabilities	102,154	102,828

Return on equity (ROE), %

The return on equity is one of the most important profitability ratios used by owners and investors. The ratio measures the ability of a company to generate profits from its shareholders' investments in the company and it defines the yield on the company's equity during the reporting period.

$$\text{Return on equity (ROE), \%} = \frac{\text{Profit for the reporting period (rolling 12 months) x 100}}{\text{Total equity attributable to owners of the parent (quarterly average)}}$$

Reference	EUR thousand	2024	2023
Consolidated statement of profit or loss	Profit for the reporting period (rolling 12 months)	-5,290	-12,786
	Total equity attributable to owners of the parent December 31, 2023 / 2022	124,912	145,916
	Total equity attributable to owners of the parent March 31, 2024 / 2023	126,045	140,131
	Total equity attributable to owners of the parent June 30, 2024 / 2023	118,081	127,236
	Total equity attributable to owners of the parent September 30, 2024 / 2023	110,781	130,283
Consolidated statement of financial position	Total equity attributable to owners of the parent December 31, 2024 / 2023	117,608	124,912
	Average	119,485	133,695
	Return on equity (ROE), %	-4.4	-9.6

Invested capital

Invested capital = Total equity + interest-bearing liabilities - cash and cash equivalents

Reference	EUR thousand	2024	2023
Consolidated statement of financial position	Total equity attributable to owners of the parent	117,608	124,912
Note 14	Interest-bearing liabilities	101,760	102,278
Consolidated statement of financial position	Cash and cash equivalents	-41,340	-58,755
	Invested capital	178,028	168,435

Return on invested capital (ROI), %
Return on invested capital is one of the most important key ratios. It measures the relative profitability of the company, ie. the yield on the capital invested in the company.

$$\text{Return on invested capital (ROI), \%} = \frac{\text{Operating profit (rolling 12 months) x 100}}{\text{Invested capital, quarterly average}}$$

Reference	EUR thousand	2024	2023
Consolidated statement of profit or loss	Operating profit (rolling 12 months)	-1,257	-7,517
	Invested capital December 31, 2023 / 2022	168,435	199,773
	Invested capital March 31, 2024 / 2023	174,706	194,290
	Invested capital June 30, 2024 / 2023	174,218	182,005
	Invested capital September 30, 2024 / 2023	173,650	181,914
	Invested capital December 31, 2024 / 2023	178,028	168,435
	Average	173,807	185,283
	Return on invested capital (ROI), %	-0.7	-4.1

Equity ratio, %
Equity ratio is an important key ratio as it measures the solidity of the company, the company's tolerance for losses and ability to cover its long-term commitments. The performance measure shows how much of the company's assets are financed with equity. The equity creates a buffer against potential losses, and equity ratio represents the level of this buffer.

$$\text{Equity ratio, \%} = \frac{\text{Total equity attributable to owners of the parent x 100}}{\text{Total assets - advances received}}$$

Reference	EUR thousand	2024	2023
Consolidated statement of financial position	Total equity attributable to owners of the parent	117,608	124,912
Consolidated statement of financial position	Total assets	310,376	316,434
Note 16	Advances received	-31	-104
		310,345	316,330
	Equity ratio, %	37.9	39.5

Gearing, %
Gearing represents the ratio between the equity invested by the owners of the company and the interest-bearing liabilities borrowed from financiers. Gearing is an important performance measure in assessing the financial position of a company. A high gearing is a risk factor which might limit the possibilities for growth of a company and narrow its financial freedom.

$$\text{Gearing, \%} = \frac{\text{Interest-bearing net debt x 100}}{\text{Total equity}}$$

Reference	EUR thousand	2024	2023
	Interest-bearing net debt	60,815	44,074
Consolidated statement of financial position	Total equity attributable to owners of the parent	117,608	124,912
	Gearing, %	51.7	35.3

Information for shareholders

Financial calendar

Suominen will publish its Financial Statements Release, Half Year Financial Report and two Interim Reports in 2025 as follows:

March 5, 2025	Financial Statements Release for 2024
May 7, 2025	Interim Report for January–March 2025
August 7, 2025	Half-Year Financial Report for January–June 2025
October 29, 2025	Interim Report for January–September 2025

The Annual General Meeting

Notice is given to the shareholders of Suominen Corporation to the Annual General Meeting to be held on April 25, 2025, at 12:00 noon (EEST) at Messukeskus (Holiday Inn Helsinki – Expo entrance) at the address Rautatieläisenkatu 3, 00520, Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 11:00 a.m. After the meeting, coffee is served, and the shareholders have the opportunity to meet the company's management. Notice to the Annual General Meeting has been announced as a stock exchange release on March 5, 2025. All materials to the Annual General meeting are available on the company's website **www.suominen.fi/agm**.

Shareholders who are registered in the shareholders' register of Euroclear Finland Ltd. on the record date of the General Meeting April 11, 2025 are entitled to participate in the General Meeting. Any shareholder whose company shares are recorded in their personal Finnish book-entry account is automatically included in the company's shareholders' register.

Registration for the General Meeting commenced on March 12, 2024 at 4:00 p.m. (EET). A shareholder who is registered in the company's shareholders' register and wishes to participate in the General Meeting must register for the meeting no later than April 17, 2025, by 4:00 p.m. (EEST), by which time the registration must be received. A shareholder can register for the General Meeting:

a) Via the company's website **www.suominen.fi/agm**. Electronic registration requires strong identification of the shareholder or their legal representative or proxy with a Finnish, Swedish, or Danish bank ID, or a mobile certificate.

b) By e-mail or mail. A shareholder registering for the General Meeting by e-mail or regular mail shall submit a registration and advance voting form which is available on the company's website **www.suominen.fi/agm**, or equivalent information to the address agm@innovatics.fi, or by regular mail to Innovatics Oy to the address Innovatics Oy, General Meeting / Suominen Corporation, Ratamestarinkatu 13 A, 00520 Helsinki, Finland.

The shareholder and their representative are required to provide necessary information, such as the shareholder's name, date of birth or business ID, phone number and/or e-mail, address, the name of any assistant or proxy representative and the proxy representative's date of birth, phone number and/or e-mail. The personal data provided to Suominen Corporation is only used in connection with the General Meeting and the processing of the necessary registrations related thereto.

The shareholder and their representative or proxy holder must be able to prove their identity and/or right of representation at the meeting.

Further information on registration and advance voting is available to all shareholders on the company's website **www.suominen.fi/agm**.

Proposal on distribution of funds

The Board of Directors proposes to the Annual General Meeting that no dividend be paid based on the adopted balance sheet regarding the financial year of 2024 and that the distributable funds be left in the company's unrestricted equity.

Investor relations

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Silent period

Suominen observes a 30-day silent period prior to the publishing of its financial result. During this time Suominen does not comment on the Company's financial performance, markets, its future outlook or business prospects. During this time Suominen's management and other employees do not meet with representatives of capital markets or financial media. Exceptions to this principle are the General Meetings of Shareholders, which may be held during a silent period, and the publication of a stock exchange release required by regulations and the communications relating thereto. In case of an event that requires disclosure during a silent period, Suominen shall publish the information without delay in accordance with the duty of disclosure and applicable regulations and shall determine on a case-by-case basis whether interviews will be given on the matter while limiting any such communication to the event in question. The IR calendar available on the Company's website includes the dates of the silent periods.

SUOMINEN CORPORATION

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