



Sustainability Report

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Greetings From the Management

Here it is – Alucar Oy’s first sustainability report, representing our long-standing commitment to sustainable and responsible business practices, which have guided us for decades.

The process of creating this report has been valuable and insightful. It has provided new perspectives and deepened our understanding of how sustainability enriches our operations. At Alucar, sustainability is not just a directive from management; it is a part of our daily work across the entire organization. When every employee is aware of the company’s goals and their own responsibilities, each person can actively contribute to promoting sustainability and responsible practices.

We can confidently say that sustainability influences every aspect of our business. In product development and design, we continuously strive to optimize our solutions, making timber hauling for our customers as efficient and sustainable as possible. The lifecycle management of our products begins at the design stage, ensuring long-term durability and performance. We collaborate closely with our suppliers in procurement, who have made considerable progress in their own sustainability efforts. In sales, long-term customer relationships and partnerships are invaluable to us and remain key factors in our future success.

Within the management team, we have collectively recognized the importance of social responsibility to our success. We are convinced that our employees are our most valuable asset, and we value the contribution of each and every one of them, regardless of their role. For this reason, it is crucial for us to be a trustworthy employer that provides a supportive and long-term workplace for our staff.

In business, corporate responsibility and sustainability have become central values. These topics are frequently discussed, and the requirements for sustainability within companies are increasing. At Alucar, we gladly welcome this development because we believe in a fair and transparent world. Only sustainable and responsible practices can ensure success for as long as 40 years. From here, we can confidently move forward toward an even more responsible and sustainable future.

” *When every employee is aware of the company’s goals and their own responsibilities, each person can actively contribute to promoting sustainability and responsible practices*



Alucar’s Executive Team:
Virpi Hattula, Julius Närvä,
Jyrki Hirviniemi, Leif Finne,
Anssi Alasaari and Patrick Lindh

Alucar as a Company

40 Years of Responsible Timber Truck Construction
Stakeholders and Collaboration
Sustainable Development Goals
Corporate Responsibility at the Heart of the Business

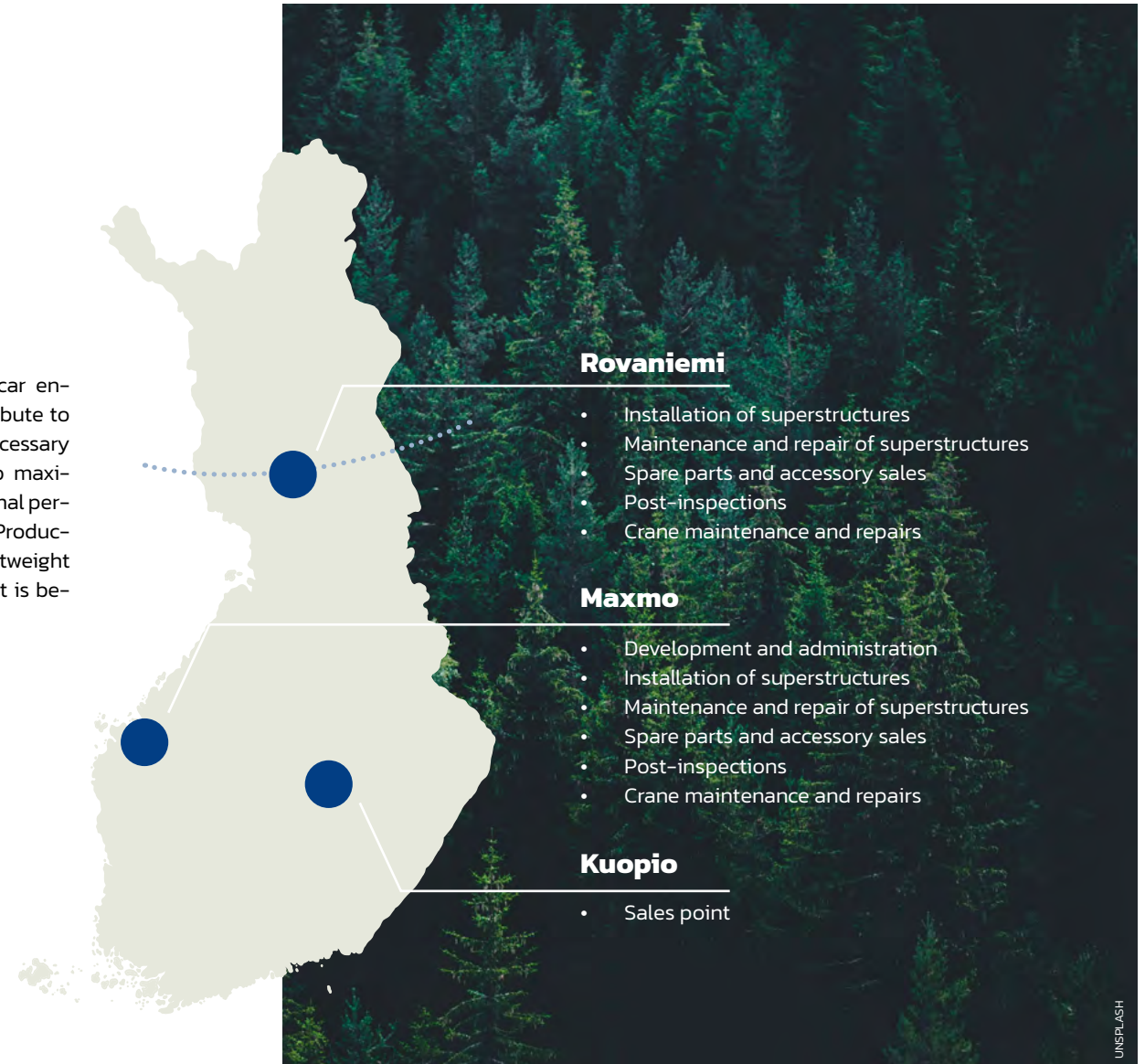
Alucar as a Company

Alucar is the world's leading manufacturer of timber superstructure systems. The company operates in Maxmo, on the Finnish west coast, where the superstructures are designed and manufactured. In September 2022, a new facility was opened in Rovaniemi, where superstructures and cranes are installed and serviced. Thanks to the Rovaniemi branch, Alucar's services are now also available closer to timber haulers in Northern Finland. In addition, the company has a salesperson based in Kuopio who manages customer service for Eastern Finland.

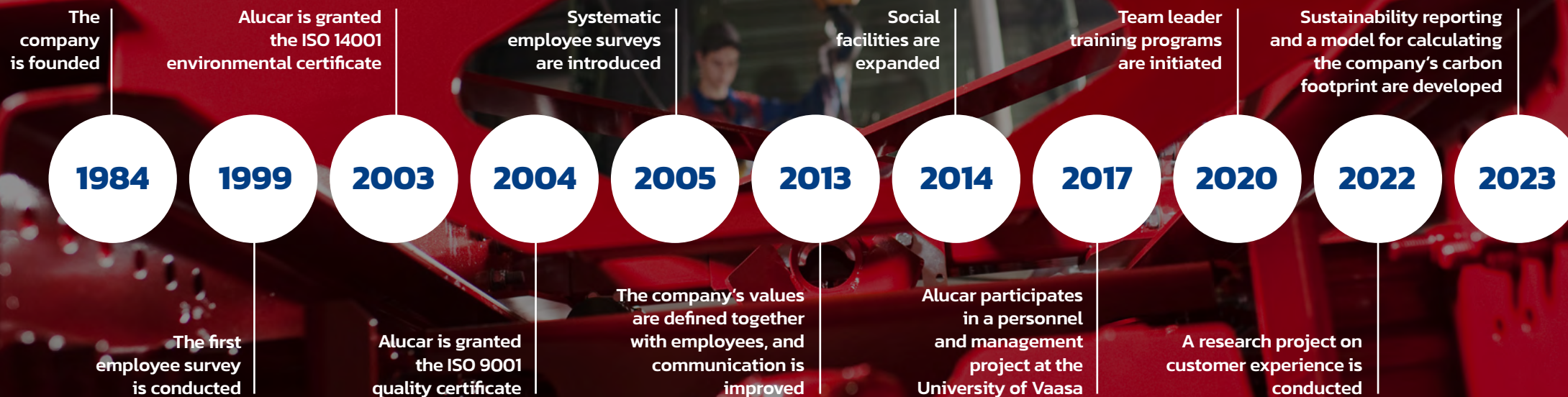
Alucar operates as an independent entity under its international parent company, Extendo AB, and manages its own products and product development. Although the company is not obligated to report under the Corporate Sustainability Reporting Directive (CSRD), it views communicating about responsibility as an opportunity. Sustainability has been integral to Alucar's operations for years, and this report aims to highlight that commitment.

The timber transport solutions from Alucar enhance efficiency of timber hauling and contribute to environmental protection by reducing unnecessary trips. The superstructures are engineered to maximize the benefit of each load and ensure optimal performance and productivity in transportation. Productivity is achieved through smart solutions, lightweight structures, innovation, and safety. At Alucar, it is believed that every load matters.

” *At Alucar, it is believed that every load matters*



40 Years of Responsible Timber Truck Construction



Stakeholders and Collaboration

Alucar collaborates with automotive manufacturers and dealers worldwide, exporting to approximately thirty countries. Up to 50% of its revenue comes from exports. The design of timber trucks is influenced by market-specific vehicle legislation, which also affects product requirements. The end users of Alucar's products include timber haulers serving the forestry industry, bioenergy plants, and mechanical wood processing industries. Key stakeholders in the process include truck manufacturers and dealers, trailer and crane manufacturers as well as suppliers of other components.

Close collaboration with stakeholders is essential to Alucar's operations. The company's deep understanding of its customers enables it to provide tailored solutions and services. Customers and partners are treated fairly and equitably, and operations are continually refined to address market needs.



Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



- Ensuring employee well-being
- Developing, training, engaging, and involving staff
- Commitment to continuous improvement
- Efforts to prevent workplace accidents
- Investment in occupational safety

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Improvement of operations
- Aiming to meet customer expectations
- Streamlined supply chain with no unnecessary intermediaries
- Efforts to minimize material waste

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Efforts to prevent and reduce generated waste
- Aiming to minimize the environmental impact of operations
- Goals of low emissions and high efficiency
- Striving for sustainable resource use
- Reducing material waste and enhancing recycling

13 CLIMATE ACTION



- Adherence to ISO 14001 certification
- Commitment to greenhouse gas reduction targets
- Promoting sustainable development and practices
- Compliance with the UN Global Compact
- Developing processes with careful consideration of environmental impacts

17 PARTNERSHIPS FOR THE GOALS



- Consideration of human rights and current labor policies in management
- Cooperation and open dialogue with business partners
- Engaging and valuing staff

Corporate Responsibility at the Heart of the Business

Alucar's values and business concept support corporate responsibility, and a transparent corporate culture has been maintained within the company for decades. Responsibility at Alucar involves ongoing and concrete development efforts, with a commitment to responsibility central to the company's core activities and values. For Alucar, responsibility is never just a word on paper; it translates into practical actions and a continuous striving for improvement.

This report divides Alucar's corporate responsibility into three areas: environmental, social, and financial. It outlines Alucar's initiatives and actions in these areas.



Environmental Responsibility

Alucar's core activity, innovative solutions for timber transportation, goes hand in hand with environmental responsibility. Resource-efficient operations and load optimization strongly contribute to both the company's carbon footprint and its carbon handprint. Alucar measures, sets goals, and actively works to reduce environmental impact.



Financial Responsibility

Alucar sees its financial responsibility as a direct outcome of its commitment to social and environmental responsibility. These efforts provide the foundation for efficient and financially sustainable operations.



Social Responsibility

Employees are Alucar's most valuable resource. Therefore, workplace well-being, occupational safety, and fair treatment are particularly important to the company. Responsible practices for both employees and partners are outlined in Alucar's Code of Conduct.



Environmental Responsibility

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Environmental Responsibility

Alucar has been incorporating sustainability into its daily operations for years, continuously developing its processes through measurement, evaluation, and action. By setting goals and implementing concrete measures, the company aims to further improve its environmental responsibility.

The reporting obligation applies to the Extendo AB Group, so Alucar does not have a statutory reporting requirement. However, the company is committed to enhancing its responsibility and voluntarily reports on its activities. Through the assessments and carbon footprint calculations conducted for the sustainability report, the company is able to identify areas for future development.

The focus of the sustainability reporting and carbon footprint calculations has been on the Maxmo facility, as the key operations at the Rovaniemi branch are covered under its lease.

Responsible Consumption

Alucar is dedicated to continuously preventing waste and environmental pollution by wisely developing its processes. The foundation of its environmental policy is based on current Finnish legislation and other significant requirements, including those from the EU and the UN.

The goal is to develop and provide environmentally advanced products and services that meet these

requirements, such as low emissions and high efficiency. Sustainable development resources are achieved through careful selection of raw materials, products, and processes, as well as minimizing waste and emissions by leveraging the latest technological advancements within the framework of the management system's energy efficiency. Additionally, the company's employees follow environmental protection principles and guidelines.

Climate Actions

Alucar holds ISO 14001 environmental certification, which establishes standards for environmental management systems and defines the operation-

al framework. The company is dedicated to reducing greenhouse gas emissions in line with European and national targets, as well as promoting sustainable development according to UN goals. Additionally, Alucar adheres to the UN Global Compact, which supports its objectives for sustainable development.

Noise and Environmental Impact

In its operations, Alucar addresses both noise and environmental impacts. Recent expansions have optimized the layout of production and storage areas, resulting in reduced traffic both into and out of the site. Consequently, environmental load, noise, and dust



pollution in the surrounding area have been minimized.

The company's activities do not disturb neighbors, even though the nearest properties are as close as fifty meters. The closest residential area was planned and built after Alucar began its operations. A protective barrier built towards the residential area helps to reduce noise, light, and, to some extent, dust impacts.

Heating

Alucar's operations are located in an industrial area with advanced infrastructure. The modern, well-insulated facilities are heated with oil and geothermal energy, and heat recovery is integrated into the ventilation system. Despite the increase in heated space, energy consumption has remained stable due to efficient insulation. The office spaces are heated with renewable, environmentally friendly geothermal energy. Improved internal logistics now allow doors to stay closed more frequently, helping to reduce heat loss.

Water and Waste

Wastewater from the production facilities is directed through oil separators and drains into the municipal wastewater system. Other wastewater is also channeled into the same system via drains. The municipal environmental committee has approved this practice.

Accurate waste sorting into specific categories is important to Alucar. In 2023, the company achieved a waste sorting rate of 82%. This rate reflects the proportion of waste that is sorted, helps identify areas for improvement, and assesses the effectiveness of waste management practices.

Emission Reductions

Emission reductions are an area where Alucar sees potential for development in the coming years. Potential measures include changing heating methods or replacing fossil fuels with bio-based alternatives. While these actions may increase costs, they would lower emissions and advance the company's sustainability goals.

In calculating its carbon footprint, Alucar can achieve significant reductions, particularly in the Scope 3 category, by cutting down on commuting. For instance, encouraging bicycle commutes and remote workdays can reduce emissions related to employee travel.

Waste Rate

Material efficiency in production is measured by the amount of material waste. At Alucar, metal plays a crucial role as a raw material, cost factor, and source of emissions, which is why metal waste is closely monitored. The metal waste rate measures the portion of purchased metal that does not make it into the final product but instead becomes scrap and recyclable material. Not all this scrap is solely production waste, some results from repair work as well. In 2023, Alucar's metal waste rate was 7%, indicating room for improvement. More precise measurement of metal waste at specific stages of production could help address this issue.

Alucar uses steel and aluminum as raw materials, both of which are recyclable, making it easier to handle and recycle material waste generated at the end of production. Additionally, other materials used by Alucar are also recyclable.



” *The goal is to develop and provide environmentally advanced products and services that meet these requirements*

Environmental Report

Each year, Alucar collects data on heating, electricity, waste, and water consumption. The company also monitors production waste, waste management, and VOC emissions. Volatile Organic Compounds (VOCs) contribute to elevated ground-level ozone and can be harmful to health, making their careful monitoring essential.

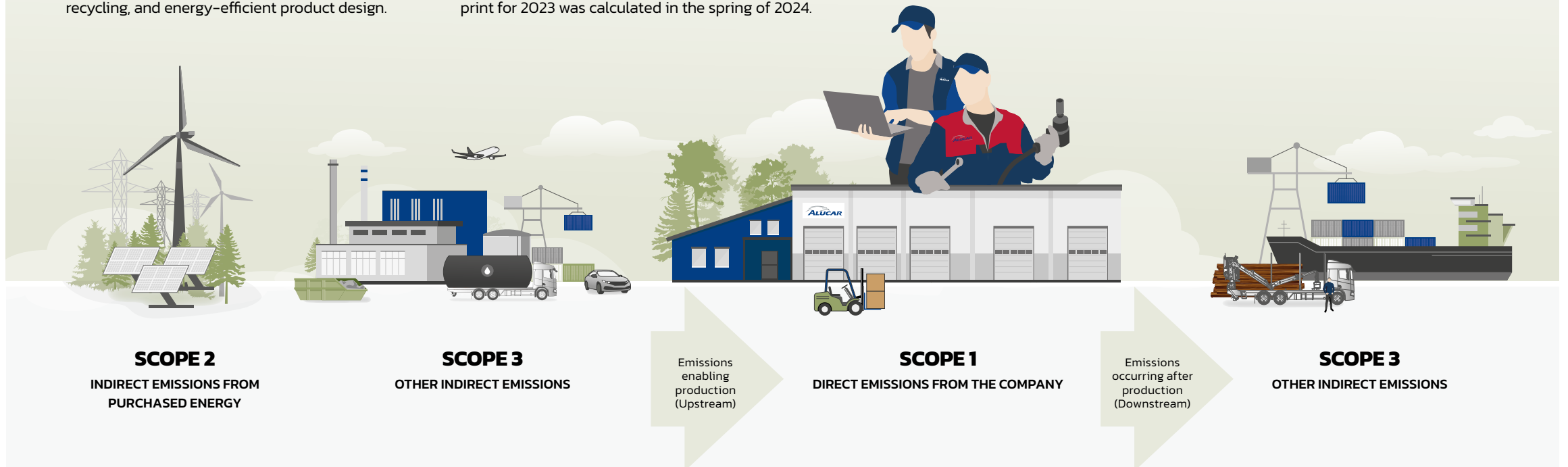
Data tracking has been in place for over a decade, with results documented in Alucar's internal Environmental Report. This voluntary report has long been essential in tracking consumption patterns and guiding the development of operational improvements.

Carbon Footprint Calculation

The carbon footprint refers to the climate impact of a product, service, or activity, specifically how much greenhouse gas emissions are generated throughout the lifecycle of the product or process. Alucar is committed to reducing its carbon footprint through various measures and choices, including the use of sustainable raw materials, resource efficiency, waste recycling, and energy-efficient product design.

In 2023, a carbon emissions calculation model was developed for Alucar to determine the company's carbon footprint for 2022. This initial calculation provided a clear picture of the current situation and a benchmark for future years' results. The calculation enables the company to improve its operations and assess the impact of its measures. The carbon footprint for 2023 was calculated in the spring of 2024.

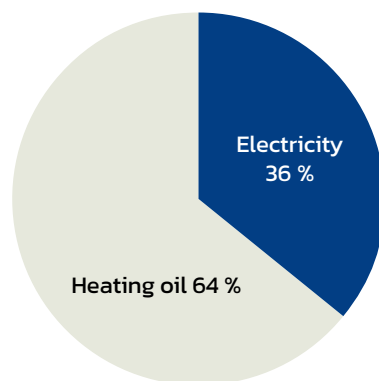
” *Alucar is committed to reducing its carbon footprint through various measures and choices*



Scope 1 & 2 – Company’s Own Energy Consumption

The 2023 carbon footprint for Scope 1 and Scope 2 categories reflects the company’s direct emissions and the climate impact of its energy consumption. Scope 1 emissions, which arise from the use of fossil fuels, come from heating oil (64%). Scope 2 emissions, resulting from the use of purchased electricity and heat, come from electricity (36%).

Scope 1 & 2 Emissions



Scope 3 – Other Indirect Emissions

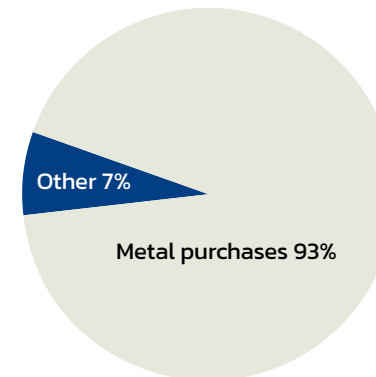
Scope 3 encompasses other indirect emissions, including material procurement, purchased freight and road transport, water consumption, waste, business travel, and employee commuting.

In 2023, Alucar’s Scope 3 emissions were largely attributed to metal procurement (93%). Other individual sources accounted for a total of seven percent, making their impact on the carbon footprint calculation relatively minor. However, these sources are still monitored and efforts to improve them are ongoing.

Compared to 2022, Alucar succeeded in reducing both the proportion of waste emissions and the carbon footprint relative to revenue during 2023. The calculations show that the company is moving in the right direction. Manufacturing and delivery volumes have not significantly increased during this period. However, revenue has grown due to price increases caused by cost developments.

With the initial carbon footprint calculations and sustainability report, Alucar’s baseline has been established. Monitoring will continue through ongoing measurement, assessment, and necessary corrective actions. As data accuracy improves, there may be occasional increases in figures.

Scope 3 Emissions



Metal purchases	93 %
Other:	7 %
Other material purchases	0,01 %
Freight	2,47 %
Employee commuting	1,85 %
Work-related travel	1,31 %
Waste	0,22 %
Indirect emissions from electricity production	0,19 %
Indirect emissions from fuel production	1,05 %

2022

2023

Carbon footprint Scope 1 and 2	341 tCO₂ekv	346 tCO₂ekv
Carbon footprint Scope 1 and 2 relative to revenue	19,7 kgCO₂ekv/1000€	16,4 kgCO₂ekv/1000€
Carbon footprint Scope 3 relative to revenue	288 kgCO₂ekv/1000€	226 kgCO₂ekv/1000€

Product Testing and Certification Systems

Alucar always tests its products in accordance with national vehicle regulations and Traficom's cargo body regulations. As a result of this testing and development work, the products have been granted certificates and conformity assurances. Traficom's cargo body regulations aim to enhance the safety of timber transportation and ensure sustainable load securing in all situations. In response to regulatory requirements, Alucar has advanced its testing processes and developed products to be even more durable.

Tested Product Categories

As a product manufacturer, Alucar tests its product categories to ensure they meet durability standards.

The tested product categories include:

- Headboards
- Bunks
- Load tensioner devices
- Subframe attachment
- Side underrun protection guards

For example, the tested strength of load tensioners (Lashing Capacity) is marked directly on the product as an LC value. Several approved testing methods are available, and appropriate testing reports are produced. For subframe attachments, Alucar must

demonstrate compliance with vehicle manufacturer guidelines, based on which a mounting certificate for the cargo body is issued. Alucar's long and close cooperation with truck manufacturers helps ensure the maximum safety of the attachments.

Safety, Durability, and Lightness

Alucar focuses on durability and lightness in product development. The company is committed to meeting increasingly strict regulatory requirements. With smart design, there is no need to compromise on product lightness. Alucar aims to provide the most durable, lightweight, and safe products for customers using the right parameters.

Alucar's Certificates

Alucar's operations and production are guided by numerous certification systems. These certifications demonstrate the safety, reliability, and durability of the products. Regulations vary between different export countries.

Cargo body regulation: Traficom's regulation on cargo bodies and cargo securing.

EN 12642: The headboard must withstand at least 50% of the load weight according to the XL standard requirements.

E-type approval: Alucar uses components approved by the authorities that meet the technical requirements placed on them. The E-rules are managed by the UN agency UNECE.

CoP (Conformity of Production): Production conformity is audited by expert companies authorized by Traficom.

CE marking (machinery directive): According to international safety regulations, machines and equipment should have CE marking, and there should also be appropriate documentation about the products.

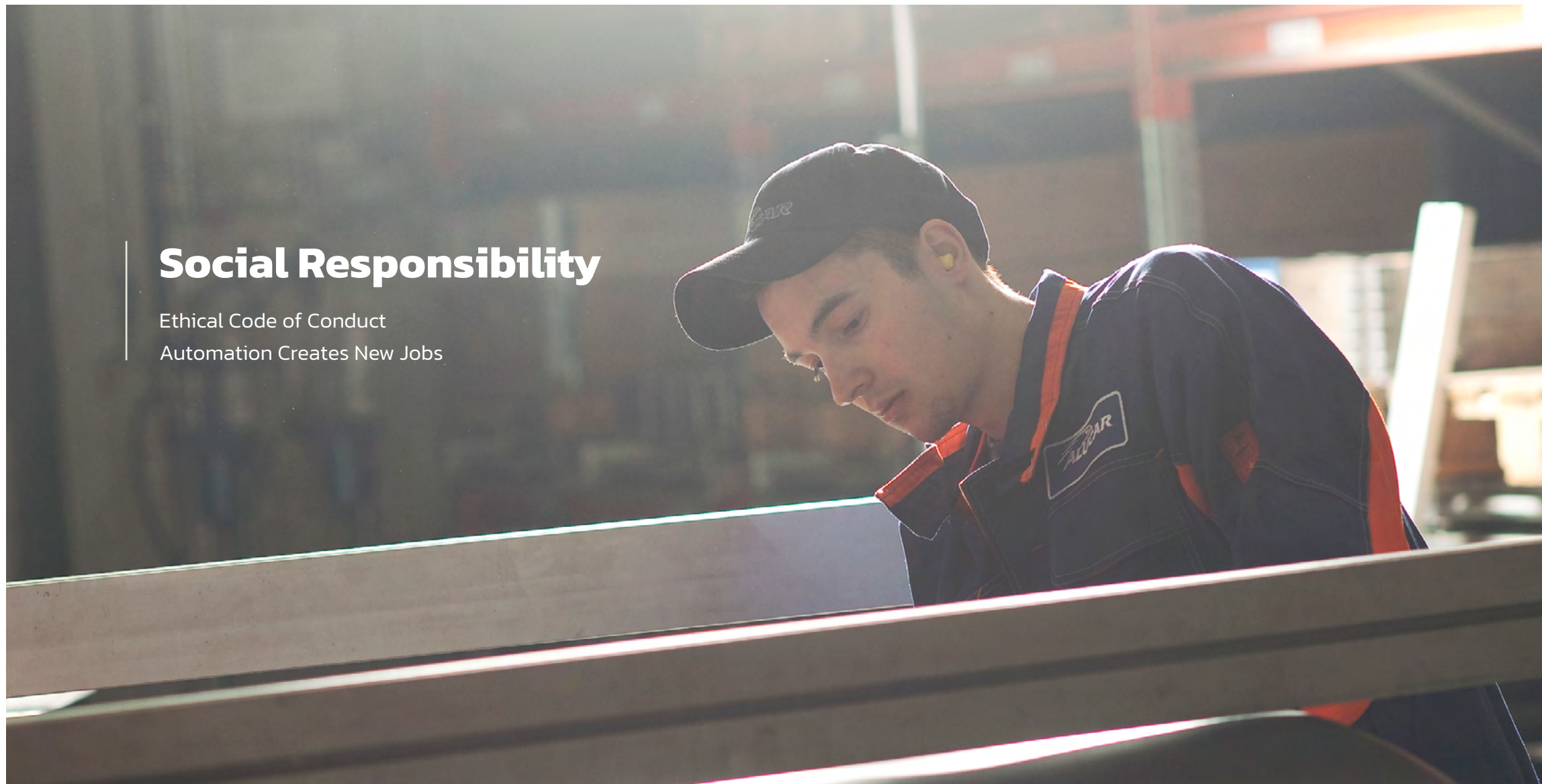
ISO 9001: Quality Management System, audited by a certification body.

ISO 14001: Environmental Management, audited by a certification body.

Social Responsibility

Ethical Code of Conduct

Automation Creates New Jobs



Social Responsibility

Alucar's greatest asset is its motivated and skilled workforce, which works in alignment with the company's goals. Continuous development and responsiveness to the needs of customers and partners are key priorities. Employee satisfaction is crucial and monitored internally through surveys.

Employee well-being is a major focus for Alucar. The company is dedicated to ensuring the safety of its products, solutions, and practices to prevent workplace accidents. Adhering to occupational health and safety plans and standards set by health authorities, Alucar aims to create safe working environments for employees, contractors, and staff at all locations.

The safety of the work environment is continuously improved, e.g., through analysis of near-miss incidents. The goal is zero accidents, and while this target has not yet been fully achieved, efforts are ongoing. The occupational safety policy complies with Finnish occupational health and safety legislation.

Protective equipment, such as hearing protection and safety glasses, is provided, and the use of personal protective gear is promoted as needed. Employees are instructed to report any deficiencies in safety measures or protective practices to help prevent accidents. Additionally, mandatory occupational safety training is conducted in compliance with legal

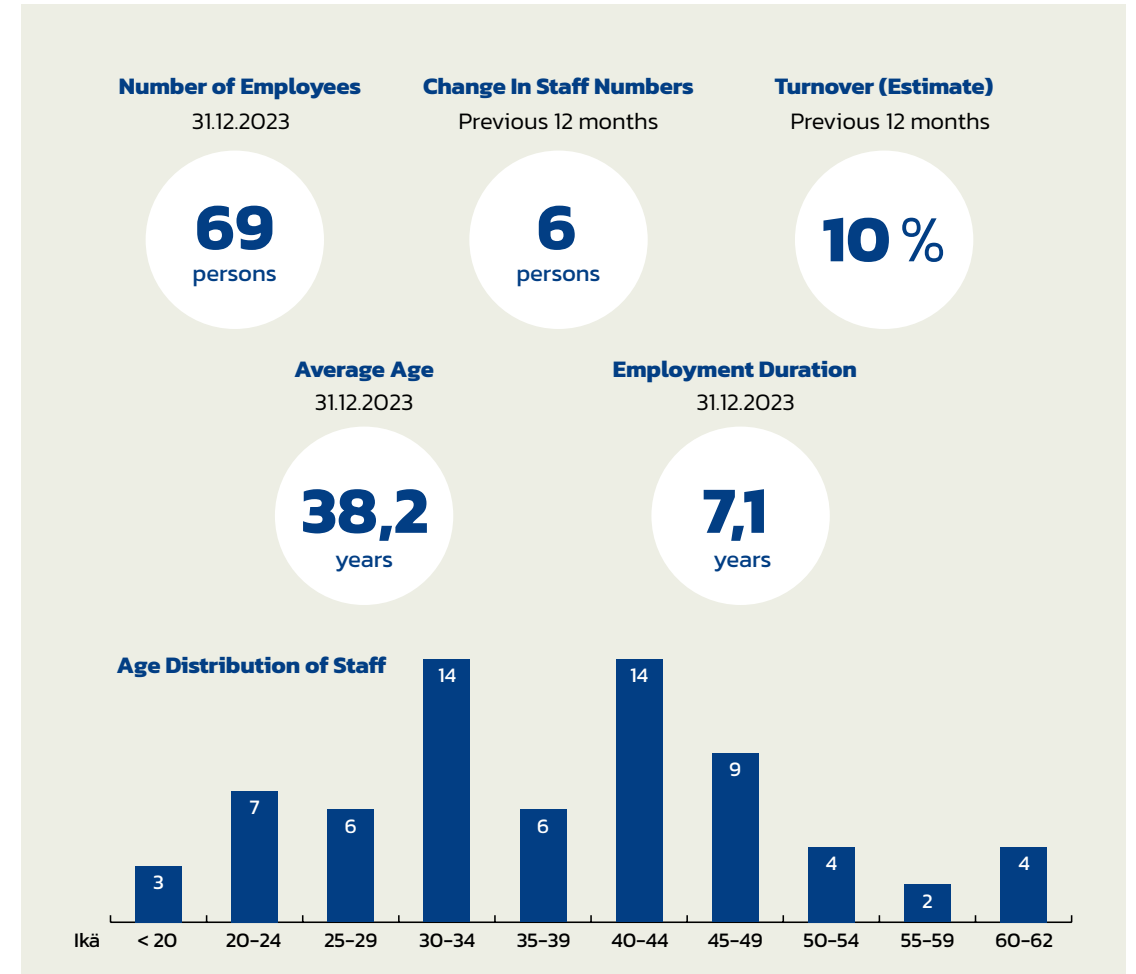
requirements, during which employees obtain an occupational safety card.

Ethical Code of Conduct

Alucar's commitment to responsible practices is reinforced through its Code of Conduct, which outlines the company's shared practices and values. This code ensures that all employees understand and adhere to the company's principles.

An internal whistleblowing channel supports these ethical practices, allowing employees to report misconduct or issues anonymously. Reports can also be submitted via a form. Additionally, customers and stakeholders can provide feedback and suggestions through a feedback link available on Alucar's website. The handling of internal deviations and improvement suggestions is currently being refined.

At Alucar, it is believed that a positive work environment requires appropriate practices. When issues or concerns arise, they are addressed and resolved. The company is committed to providing fair and good working conditions for all employees, ensuring that the work environment is respectful and equitable. Employee well-being is regularly monitored, and any issues are addressed as needed.



Automation Creates New Jobs



Alucar's staff numbers have increased by dozens of new employees during 2023. The main reasons for this growth are the establishment of the Rovaniemi branch, the increase in order volumes at the Maxmo facility, and, most significantly, the addition of automation.

Alucar aims to enhance its production processes and improve delivery reliability by investing in automation. This also increases the demand for new employees in various areas of production. For instance, an aluminum welding robot has been implemented in the factory, requiring the expertise of several individuals. The higher production volumes enabled by automation also create additional demand for staff in areas such as material handling, post-processing, and development of manufacturing methods.

Robot investments raise the company's level of automation, improve product quality, enhance production efficiency, and increase Alucar's responsibility in the production phases. The welding robot's strength lies in its flexibility, allowing it to address and implement customer requests even on tight schedules.

Increasing automation directs Alucar to use its resources more wisely. By employing the latest technology, the company and its staff are advancing to become leaders in the industry.

Alucar will continue to invest in automation in the future. As a result of these investments, the number of new jobs will further increase. Recruitment is relatively easy for Alucar due to its positive employer reputation. A multilingual work environment, flexible working hours, and a good work atmosphere have attracted several former employees back to the company.



The background of the page is a close-up photograph of numerous stacked metal beams. The beams are arranged in a grid-like pattern, with their open U-shaped cross-sections facing the viewer. The lighting creates strong highlights and shadows, emphasizing the metallic texture and the repetitive geometric shapes.

Financial Responsibility

Responsible Management

Delivery Reliability

Procurement and Competitive Bidding

Taxes

Export



Financial Responsibility

The COVID-19 pandemic significantly impacted market conditions, delivery capabilities of truck manufacturers, and the ability to engage with international stakeholders. At Alucar, these challenges led to a decline in revenue. The availability of raw materials and components worsened, and costs surged sharply, adversely affecting profitability.

In 2021, Alucar refined its strategy and implemented measures to increase revenue and

enhance profitability. In the domestic market, developing service design was identified as a key opportunity to strengthen market position and boost sales. Consequently, in 2022, Alucar opened a branch in Rovaniemi, offering superstructure installation and aftermarket services to timber haulers in northern Finland.

The company has also expanded its crane business, which complements its core operations and supports revenue growth. Supplying

cranes necessitates an increase in expertise, presenting interesting challenges for the staff.

Additionally, in 2022, Alucar broadened its export operations by establishing a sales company in Poland in partnership with its sister companies. This strategic move enables the company to provide services closer to its Eastern European clientele, a region recognized as a significant and emerging market for the forestry industry.

Responsible Management

In managing its own operations, business partners, and supply chain sustainability, Alucar ensures adherence to human rights, current labor policies, and the sustainability goals set by the UN and Finnish legislation. The company maintains an ongoing, open dialogue with business partners to make improvements in line with internal guidelines and warranty commitments.

As a subsidiary of Extendo AB, Alucar's assets are not managed separately; profits are directed to the parent company. The company invests its capital to support growth and development.

Delivery Reliability

Delivery reliability is a central aspect of Alucar's operations and is crucial to the company's competitiveness and customer satisfaction. Although coordinating delivery times with stakeholders can be challenging and requires ongoing, meticulous planning, the company is committed to maintaining high standards. Alucar is dedicated to providing reliable and timely deliveries, as dependability is a core value, and delivery reliability is a key component of this value.

Procurement and Competitive Bidding

In procurement, Alucar seeks sustainable solutions that consider not only unit prices but also the overall financial, social, and environmental impacts. Sometimes, higher costs may be acceptable if they result in positive outcomes in these areas. For example, the company might consider replacing fossil fuels with bio-based alternatives, even if this leads to increased costs, provided it results in a direct reduction in emissions.

Taxes

Tax payments are a fundamental aspect of responsible business practices, and Alucar is committed to fulfilling its tax obligations transparently and honestly. Paying taxes contributes to societal well-being and the development of infrastructure. Profitable

business not only supports the company's growth but also significantly impacts society, as a thriving business can positively contribute to increased tax revenues.

Export

Alucar's export operations are a key component of its responsibility framework, having a notable soci-

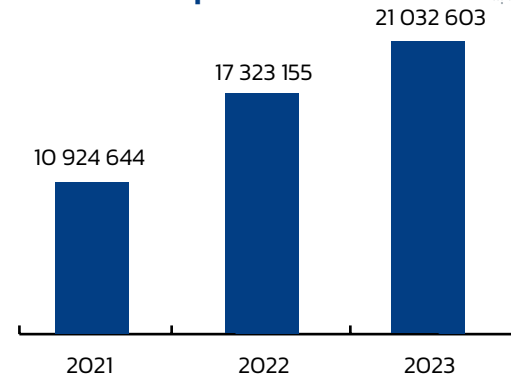
etal impact. The company designs and manufactures custom superstructures tailored specifically for the trucks in question. By exporting pre-assembled and fully compatible superstructure kits, Alucar enables the direct delivery of trucks to superstructure builders, eliminating the need for additional modifications.

Collaboration with truck manufacturers and other suppliers facilitates resource-efficient operations on

an international scale, emphasizing financial, environmental, and social responsibility.

The company's extensive global network of superstructure builders optimizes eco-friendly deliveries and creates job opportunities abroad in the installation sector. This network also ensures compliance with market-specific regulations and registration processes.

Revenue Development €



Alucar's Export Markets

