

Written Statement – Åpenhetsloven

Ponsse AS



Ponsse AS, based in Kongsvinger, operates as a subsidiary of Ponsse Plc. Our company specializes in the sales, delivery, and maintenance of PONSSE forestry machinery, catering primarily to the forestry industry and educational institutions. The organization is divided into four core departments: administration, service, sales, and spare parts warehouse. Each department follows specific safety and quality protocols to ensure smooth operations. Safety representatives within the Ponsse Group work diligently to uphold our high standards for workplace safety and employee rights.

Ponsse AS is wholly owned by Ponsse Plc, a corporate group guided by a robust Code of Conduct. This ethical framework, based on the human rights impact assessment and supported by our core values—*We truly care, We work for our customers, We are honest, and We are open for renewal*—applies to all employees, as well as external partners, suppliers, and other stakeholders. Everyone involved with Ponsse is expected to adhere to these ethical guidelines to ensure responsible and sustainable business practices.

Code of Conduct and Supplier Standards

Ponsse's Code of Conduct outlines our commitments to ethical behavior, employee well-being, societal responsibilities, and sustainable partnerships. External parties, including suppliers and business partners, are expected to comply with these principles. Our suppliers are required to adhere to the Supplier Code of Conduct, which aligns with sustainability goals outlined in our procurement policy. We have refined this process, automating supplier background checks and enhancing risk assessments to evaluate their financial, ethical, and sustainability standings. Additionally, new suppliers are assessed against environmental, social, and governance (ESG) criteria.

Supplier relationships are managed systematically, focusing on long-term collaboration and continuous improvement. Evaluation includes technological capability, cost efficiency, audit results, and delivery reliability, with added emphasis on sustainability and risk mitigation.

Human Rights Commitments

Ponsse is dedicated to respecting internationally recognized human rights, including the ILO Declaration on Fundamental Principles and Rights at Work. Our policies explicitly prohibit forced or child labor, support freedom of association, and promote non-discrimination based on personal or demographic characteristics. Key human rights themes have been prioritized through due diligence, supported by a comprehensive Human Rights Impact Assessment (HRIA) conducted in 2023.

The HRIA identified four critical areas of focus:

1. **Our Employees** – Safeguarding health, safety, and fair treatment, including for young workers and trainees.
2. **Customers and End Users** – Prioritizing the safety and reliability of our products.
3. **Procurement Chains** – Addressing high-risk sectors and raw materials, while ensuring ethical sourcing and labor practices.
4. **Local Communities** – Minimizing environmental and social impacts from operational activities.

These efforts are continually reviewed and strengthened through our Human Rights Due Diligence (HRDD) process.

Management Systems

Ponsse implements management systems that drive sustainable development and operational excellence. These include:

- **ISO 9001:** Quality management
- **ISO 14001:** Environmental management
- **ISO 45001:** Occupational health and safety management
- **ISO 27001:** Information security management

Recertifications are conducted every three years, with the most recent in 2025.

Risk Management

Our risk management is based on the company's values and strategic and financial goals. The purpose of risk management is to support the company's strategic objectives and to secure its financial development and the continuity of its business. Ponsse's management conducts an annual risk assessment that includes the sustainability risks and opportunities impacting the company's business. Within them, aspects related to climate change, biodiversity, and resource efficiency together with digitalisation and technological development are emphasised.

The purpose of risk management is to identify, assess, and monitor business-related risks that may impact on the realisation of the company's strategic and financial objectives or the continuity of business. This information is used to decide what measures will be required to prevent risks and respond to current risks.

Risk management is part of the company's daily business and has been incorporated into its management system. Risk management is directed by the risk management policy approved by the Board of Directors.

A risk is any event that may prevent the company from achieving its objectives or threatens the continuity of business. A risk may also be a positive event, in which case the risk is treated as an opportunity. Each risk is assessed on the basis of its impact and probability. The company's risk management methods include avoidance, mitigation, and transfer of risk. Risks may also be managed by controlling and minimising their impact.

Ethical Reporting System (Whistleblowing)

Ponsse uses an ethical whistleblowing channel as required by the Finnish Whistleblower Act and the EU Whistleblower Directive, through which Ponsse's employees and stakeholders' representatives can report any activities in breach of the company's Code of Conduct or suspicions of such activities. These may include any suspected misconduct that affects people, the organisation, society or the environment and is in violation of the law or the Code of Conduct. Reports can also be submitted anonymously through the whistleblowing channel.

The company encourages its employees to primarily report any concerns or violations related to the Code of Conduct to their nearest supervisor, heads of functions or the HR department. Its stakeholders should contact the company's managers or submit reports to the whistleblowing channel.

The whistleblowing channel is in a system outside Ponsse, where the processing of reports is protected and encrypted. Communication related to the processing of the report is handled using the processing number. A link to and instructions for using the whistleblowing channel can be found on the company's intranet and website.

Commitment to Responsible Business

Ponsse is committed to carrying out its business operations sustainably and responsibly. By working closely with partners and maintaining rigorous standards, we strive to deliver products and services that reflect our values and commitments to human rights, environmental stewardship, and ethical business practices. Suppliers are required to commit to the Supplier Code of Conduct. Ponsse's Supplier Code of Conduct can be found on Ponsse's website. Ponsse finds it important to be a responsible company in the communities in which it operates. Partners are always selected based on business and sustainability criteria.

Ponsse's value chain

Ponsse's value creation process consists of the upstream value chain, its own operations and the downstream value chain. Ponsse's upstream value chain consists of the extraction and processing of materials and the manufacture of components.

Own operations consist of the manufacture, sales and marketing of forest machines, as well as maintenance. The downstream value chain includes the use of forest machines, as well as forest management and wood processing.

The key operators in Ponsse's upstream value chain include suppliers and subcontractors who manufacture products for PONSSE forest machines using raw materials and other resources, and transport parts and materials to Ponsse's Vieremä factory and logistics centre in accordance with Ponsse's production and order schedule. The key operators in Ponsse's downstream value chain include customers and users of PONSSE forest machines. The company's customers are mainly harvesting and forestry companies, to which Ponsse sells and markets harvesting technology based on the cut-to-length method and supports customers' business operations with services and training that support PONSSE forest machines. The role of customers is crucial throughout Ponsse's value chain, as customers are also closely involved in the development of the company's products and services. The company also engages in continuous dialogue with other operators in the forestry sector to ensure that its products broadly meet the needs of the industry. Ponsse actively collaborates in technology development with educational institutions, companies and research institutes.

Due diligence process

In its operations, Ponsse follows due diligence to identify, prevent, reduce and stop actions that cause negative human rights and environmental impacts in the company's value chain.

Ponsse's management monitors the implementation of the due diligence obligation and the effectiveness of the related measures, ensuring that the company's processes and operating methods are in line with regulations, standards and the company's Code of Conduct. The management sets targets to fulfil the due diligence obligation and creates metrics to monitor the fulfilment of the obligation. The progress of strategic measures and targets and changes in the operating environment are monitored quarterly in strategy reviews. Measures related to operating activities are monitored at weekly and monthly management meetings in accordance with the principles of continuous improvement.

In 2026, the due diligence process will be further developed to meet the growing sustainability requirements. A key focus of the development work is the identification of risks and impacts in the upstream value chain. The aim is to create a more systematic operating model that covers the initial stages of the supplier network and improves transparency throughout the value chain. The key elements of the due diligence process are described in the following table.

Key elements of the due diligence process		Paragraphs in the sustainability report
Embedding due diligence in governance, strategy and the business model	Sustainability is integrated into Ponsse's business development, and the company's management monitors sustainability targets and the related risks and opportunities. Ponsse's good governance, management systems and operating principles guide the company in exercising due diligence in its operations.	<ul style="list-style-type: none"> • ESRS2 General disclosures <ul style="list-style-type: none"> • Sustainability governance • Sustainability strategy • Managing material impacts, risks and opportunities • G1 Business conduct <ul style="list-style-type: none"> • Corporate culture • Business conduct policies
Interaction with affected stakeholders during all key phases of the due diligence process	<ul style="list-style-type: none"> • Active dialogue with stakeholders • Whistleblowing channel for reporting concerns • Process for handling customer feedback • Customer and personnel surveys • Stakeholder interviews 	<ul style="list-style-type: none"> • ESRS2 General disclosures <ul style="list-style-type: none"> • Interests and views of stakeholders • G1 Business conduct <ul style="list-style-type: none"> • Whistleblowing channel • S4 Consumers and end users <ul style="list-style-type: none"> • Engagement with consumers and end users
Identification and assessment of adverse impacts	<ul style="list-style-type: none"> • Identification and assessment processes: <ul style="list-style-type: none"> • Human rights impact assessment • Double materiality assessment • Group risk assessment • Explanation of sites located near biodiversity-sensitive areas • Scenario work and climate risk assessment • Sustainable supply chain: <ul style="list-style-type: none"> • Sustainability assessment of new suppliers • Background checks for suppliers and customers • Audits: <ul style="list-style-type: none"> • Maintenance service and distribution network audits (ESW) • Management system audits • Production audit (PPS) • Supplier audits 	<ul style="list-style-type: none"> • ESRS2 General disclosures <ul style="list-style-type: none"> • Managing material impacts, risks and opportunities • E1 Climate change <ul style="list-style-type: none"> • Scenario and resilience analysis • E4 Biodiversity and ecosystems <ul style="list-style-type: none"> • Sites near biodiversity-sensitive areas • S1 Own workforce <ul style="list-style-type: none"> • Respect for human rights at Ponsse • Promoting occupational safety • G1 Business conduct <ul style="list-style-type: none"> • Management systems
Measures to prevent adverse impacts	<ul style="list-style-type: none"> • Sustainable supply chain: <ul style="list-style-type: none"> • Supplier Code of Conduct • Code of Conduct for dealers and contractual service partners • Sustainability assessment of new suppliers • Background checks for suppliers and customers • Good governance: <ul style="list-style-type: none"> • Whistleblowing channel and handling process • Management systems • Training: <ul style="list-style-type: none"> • Code of Conduct training for personnel, contract service partners and dealers • Environmental, occupational safety and equity training for personnel 	<ul style="list-style-type: none"> • G1 Business conduct <ul style="list-style-type: none"> • Policies • Management systems • Relationships with suppliers • Whistleblowing channel • S1 Own workforce <ul style="list-style-type: none"> • Occupational safety
Tracking and communicating the effectiveness of these efforts	<ul style="list-style-type: none"> • Audit results and follow-up • Sustainability KPI monitoring • Internal and external sustainability communication • Annual sustainability reporting 	<ul style="list-style-type: none"> • G1 Business conduct <ul style="list-style-type: none"> • Management systems

Summary of material impacts, opportunities and risks

E1 Climate change	
Positive impacts	<ul style="list-style-type: none"> Efficient harvesting planning is supported by solutions and services that can reduce in-service emissions from forest machines. Improving the efficiency of forest machines, regardless of the energy source.
Negative impacts	<ul style="list-style-type: none"> Ponsse's own and value chain emissions, most notably during the operations of forest machines, arising from fuel consumption. Harvesting affects forest carbon sinks before the next generation of trees grows.
Financial opportunities	<ul style="list-style-type: none"> Continuous development of new technologies, improvement of resource efficiency and development of operations. Demand for new innovations, such as products enabling fire extinguishing and zero-emission harvesting. Digital services and data collection developed to enhance the efficiency of harvesting.
Financial risks	<ul style="list-style-type: none"> Climate change mitigation and the transition to low-carbon operations cause significant demands and needs for reform in product and technology solutions.
E4 Biodiversity and ecosystems	
Positive impacts	<ul style="list-style-type: none"> PONSSE forest machines based on the cut-to-length method are suited to different forest management practices, enabling wood raw material to be used as efficiently as possible with minimal waste. PONSSE forest machines can be equipped with map software that helps operators detect sensitive forest nature areas or mark specific sites on the map.
Negative impacts	<ul style="list-style-type: none"> The use of forest machines has impacts on nature, such as trails, soil compaction and erosion.
Financial opportunities	<ul style="list-style-type: none"> The CTL harvesting method creates a competitive advantage. Developing innovative products and services that promote sustainable forest management and protect the natural environment, such as solutions for verifying the sustainability and biodiversity of wood raw material.
E5 Resource use and circular economy	
Positive impacts	<ul style="list-style-type: none"> Reducing the consumption of resources and materials by providing refurbished and reused spare parts. The life cycle of a forest machine is extended through comprehensive maintenance services.
Negative impacts	<ul style="list-style-type: none"> Materials and natural resources are consumed in the manufacture of machines.
Financial opportunities	<ul style="list-style-type: none"> Making use of and developing the circular economy in business operations creates new markets and resource efficiency. Product design in line with the circular economy, such as reduced resource use and a modular product structure.

S1 Own workforce	
Positive impacts	<ul style="list-style-type: none"> • Equal treatment and respect for diversity and human rights promote employees' well-being at work and working capacity. • Employee training, job rotation, work culture and good supervisory and leadership work have a positive impact on employees' working capacity and well-being at work. • Promoting mental and physical safety in the workplace community improves working conditions and well-being at work.
Financial opportunities	<ul style="list-style-type: none"> • A strong employer brand and the availability and commitment of skilled personnel improve Ponsse's employer image and performance. • Good team spirit, value-based operations and good occupational safety results improve employees' efficiency and Ponsse's performance.
S4 Consumers and end users	
Positive impacts	<ul style="list-style-type: none"> • The occupational safety and work efficiency of forest machine operators can be affected by, for example, improving work ergonomics, access routes and service platforms around the machine. • Improving the safe and responsible use of forest machines through product and operational training and safety communication.
Financial opportunities	<ul style="list-style-type: none"> • Ponsse has developed product solutions and operator assistance solutions that are suitable for a wide range of users, and that support the responsible work of operators, improving the demand for products and services. • New sustainable innovations create value for society and new business opportunities for Ponsse.
Financial risks	<ul style="list-style-type: none"> • Changes in consumer behaviour can cause fluctuations in demand and affect the price level of products.
E1 Business conduct	
Positive impacts	<ul style="list-style-type: none"> • Ponsse's Code of Conduct and other guidelines supporting ethical business practices. The opportunity to report misconduct supports responsible business conduct and reduces risks. • Ponsse's sustainability work and suppliers' sustainability commitments strengthen an ethical corporate culture and trust in the supply chain. • Ponsse creates regional well-being and promotes local vitality and employment. • Taking sustainability into account as part of the company's strategy and risk management work.
Financial opportunities	<ul style="list-style-type: none"> • Ponsse's activities as a responsible corporate citizen strengthen the company's reputation and create a competitive advantage. • A significant proportion of Ponsse's subcontractors and supply chain are local operators, which creates flexibility and efficiency in business operations and improves delivery reliability. • Close and long-term cooperation with the supplier network ensures product quality, operational flexibility and competitive price levels.


Kongsvinger

I styre for Ponsse AS

DocuSigned by:

 2192D3E815684C2...

Marko Esko Tapani Mattila

DocuSigned by:

 F577CDD74336471...

Juho Aleks Nummela

DocuSigned by:

 F87C4E1C42DE41D...

Tiina Tuulikki Kautonen

DocuSigned by:

 30C043E78B094A8...

Jaakko Laurila