

# **SUSTAINABILITY REPORT**

2022

## TABLE OF CONTENTS

CEO's review .....	4	Overview of 2022.....	16
Raute Way – our strategy .....	5	Environmental impacts in the value chain.....	17
Double materiality assessment .....	6	Environmental impact 2022.....	18
Our approach to sustainability .....	9	Social impact 2022.....	20
Key ESG topics and targets.....	10	Economic impact 2022.....	22
Governance.....	12	Reporting principles.....	23
Stakeholders.....	14	GRI index 2022.....	24

## RAUTE'S REPORTS 2022



### **Sustainability Report 2022**

This report presents Raute's approach to sustainability along with the material aspects of sustainability, governance and stakeholder engagement. Additionally, the report contains a summary of Raute's sustainability efforts in 2022 as well as the reporting principles and GRI index.



### **Annual Report 2022**

This report describes Raute's operating environment, strategy, solutions and personnel in 2022.



### **Financial Statements 2022**

This report includes Raute's Financial Statements for 2022 as well as information about Raute's shares and shareholders.



### **Corporate Governance Statement 2022**

This report describes Raute's corporate governance and internal control and risk management principles related to financial reporting process as well as procedures for insider management and auditing.



### **Non-financial Information Statement 2022**

This report presents information concerning Raute's environmental, social and employee matters, respect for human rights, as well as anti-corruption and bribery.



### **Remuneration Report 2022**

This report illustrates Raute's remuneration principles and the remuneration paid to Raute's Board of Directors, President and CEO and the Deputy to President and CEO in 2022.

# Making Wood Matter



Photo: Raute Corporation

Curiosity for wood has been in Raute's DNA for over 110 years. Today, it feels more relevant than ever. Wood has a central role in driving climate action, as it is a lifetime carbon storage. At the same time, the demand for wood in its versatile forms is increasing in the building construction, transportation, packaging, and furniture segments, to mention a few. In this context, innovating products and services that support efficient consumption of wood materials is key.

As the preferred partner for manufacturers of wood products, we have a unique position to lead the positive change. Raute's solutions help customers to sustain the value of wood. With data, digital tools, and new types of services, we, together, strive for sustainable business in engineered wood products around the world.

In this sustainability report, we demonstrate how sustainability contributes to Raute's long-term success as an integral part of our corporate purpose and our strategy, and how we as a company create value for our stakeholders. In the beginning of 2023, we took strong steps towards our strategic sustainability priorities by updating our sustainability approach along with the key ESG topics and targets. This report describes our new sustainability approach and provides an overview of Raute's economic, environmental, and social performance in 2022.

We will take immediate steps in the execution of our new key topics. One of the concrete actions is to evaluate all our research and development projects through the lens of sustainability from now on. Another one is to introduce novel health and safety solutions for production. A recent concrete example combining many of the new ESG targets is our new hybrid lathe technology including automatic knife change. This solution both improves material recovery, as well as eliminates possible dangerous work routines.

Together, we make our contribution to society and promote resource-efficient economy. We are making wood matter.

**Mika Saariaho**

President and CEO

# Raute Way – our strategy

We are the partner to future-proof the wood industry. With our unique solutions, we drive change and promote resource-efficient society. Our foundation is strong, as we are the global market leader in veneer, plywood and LVL production technologies. In this segment, we will grow our Services concept and strengthen our offering in Analyzers and Wood Processing with innovative production solutions and models, as well as data and digital tools.

Our commitment is to lead the industry towards a more sustainable future in engineered wood products. This is especially important now as the usage of wood in building construction increases, labor shortages and production costs pose challenges to production efficiency and quality, and the interest in more local veneer and plywood production accelerates. For the engineered wood products industry, these trends create versatile opportunities to improve resource efficiency across the value chain, and we have already had our first openings in the massive wood products segment.

At Raute, we have integrated sustainability as a fundamental aspect into our operations, balancing economic, social, and environmental considerations in our decision-making processes. By optimizing the value of products and services throughout their entire lifecycle, we can minimize the waste of resources and energy. Our company culture is built on unwavering principles of safety, ethical conduct, and diversity and inclusion. Eventually, we want to generate growth for all our stakeholders with high ESG standards and deliver a lasting positive impact on nature and society. This is the Raute Way.

Sales & marketing,  
commercial excellence

Human resources, people  
development and health& safety

Finance, ICT, ESG and  
other business support

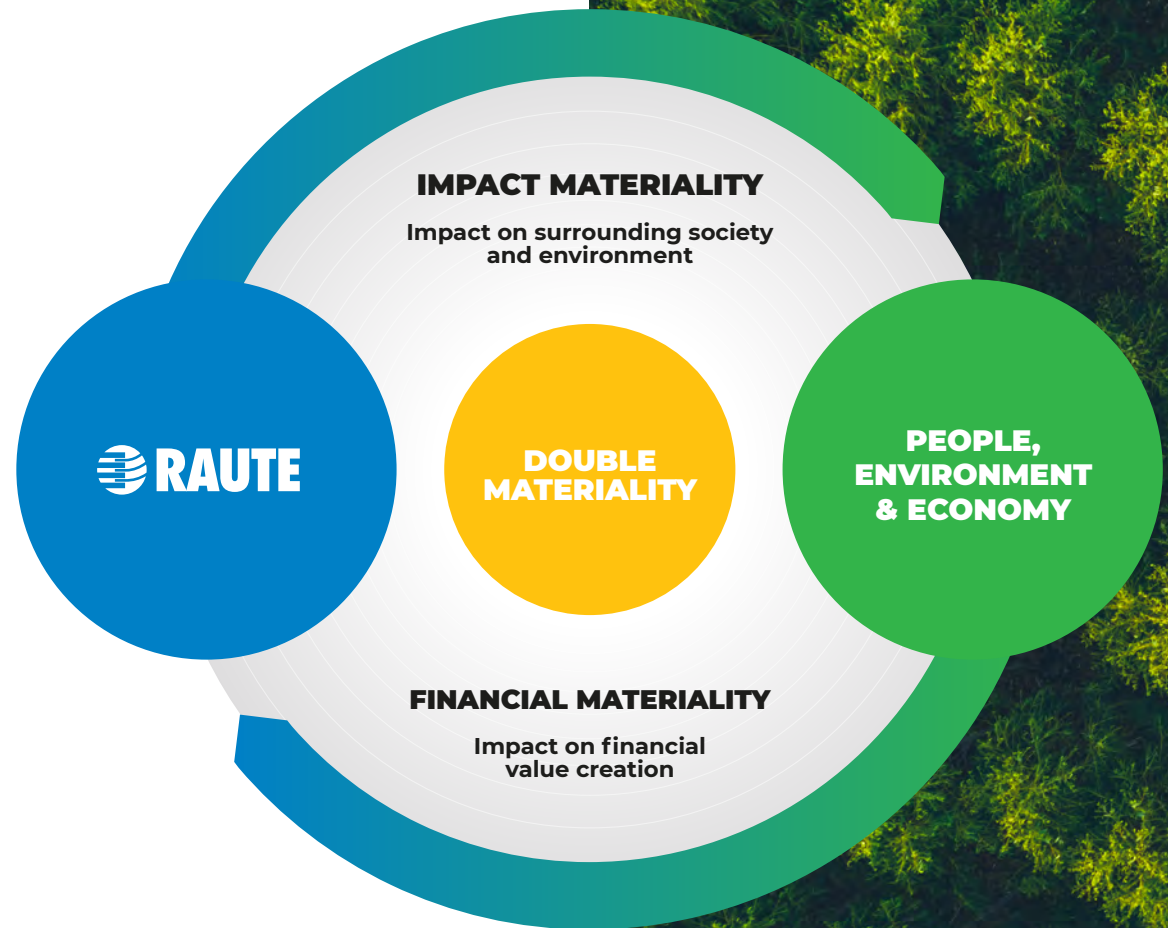




# Double materiality assessment

To ensure the success of our company and improve our impact on society, it is essential that we actively engage with our stakeholders and deepen our understanding of their perspectives. In the beginning of 2023, we updated our approach to material sustainability themes by identifying the most significant sustainability topics across our entire value chain. The materiality assessment was conducted by using the 'double materiality' approach, which considers both impact and financial materiality. In line with the approach, we assessed the sustainability topics based on their relevance to Raute's business and stakeholders, their impact on the economy, environment, and society, and the estimated magnitude of their effects.

Our previous materiality assessment was conducted in 2017. Through the 2023 assessment, we re-evaluated and revised our material topics to address the present and future impacts that affect the environmental, social, and governance (ESG) aspects of sustainable development. This was done to ensure that we account for the challenges that may arise and to stay current with evolving trends. Moreover, the adoption of the double materiality assessment reflects the full integration of sustainability into Raute's renewed strategy. The concept of double materiality is also promoted in the EU's upcoming Corporate Sustainability Reporting Directive (CSRD) as well as other relevant sustainability frameworks. Proactive alignment with the current and upcoming standards will help us prepare for future reporting requirements.



ESG topic	Outward impact (society)	Inward impact (business)	Classification
Innovating Advanced Products and Services for Resource Efficiency	● ● ●	● ● ●	Very material
Seeking Sustainable Growth	● ● ●	● ● ●	
Fostering ESG throughout the value chain	● ● ●	● ● ●	
Attracting and Developing Diverse Talent	● ● ●	● ● ●	Material
Advocating Health and Safety without exceptions	● ● ●	● ● ●	
Driving Climate Action	● ● ●	● ● ●	

The results of the double materiality assessment provided us with a better understanding of the sustainability topics on which we have an impact, the topics that have an impact on us, and the topics that our stakeholders consider important to us. Based on these three dimensions of materiality, we prioritized six material topics. The topics are presented in the table on the left. The yellow dots represent the significance of the outward impact (impact materiality) and the green dots indicate the significance of the inward impact (financial materiality). In the future, we will conduct the materiality assessment every 3 years to ensure that we are on the right path with our sustainability efforts.

# Raute's double materiality assessment process





# Our approach to sustainability

Raute is committed to taking an active role in addressing the sustainability challenges faced by manufacturers, suppliers and other stakeholders in the engineered wood products industry.

In the beginning of 2023, we launched a new sustainability agenda, providing a roadmap that guides our market activities and addresses environmental and social challenges. Based on a double materiality assessment, we have set high-level ambitions for six key topics. The detailed descriptions of topic-specific sustainability targets and KPIs, which will guide Raute's operations in the future, are in the process of being prepared.

From 2023, Raute will strengthen its sustainability approach and integrate the key ESG topics into the operations of its business units and different locations, the company's commercial, people and culture operations, as well as research and development activities. Consequently, Raute will work towards measuring and reporting on the execution of its renewed ESG roadmap.

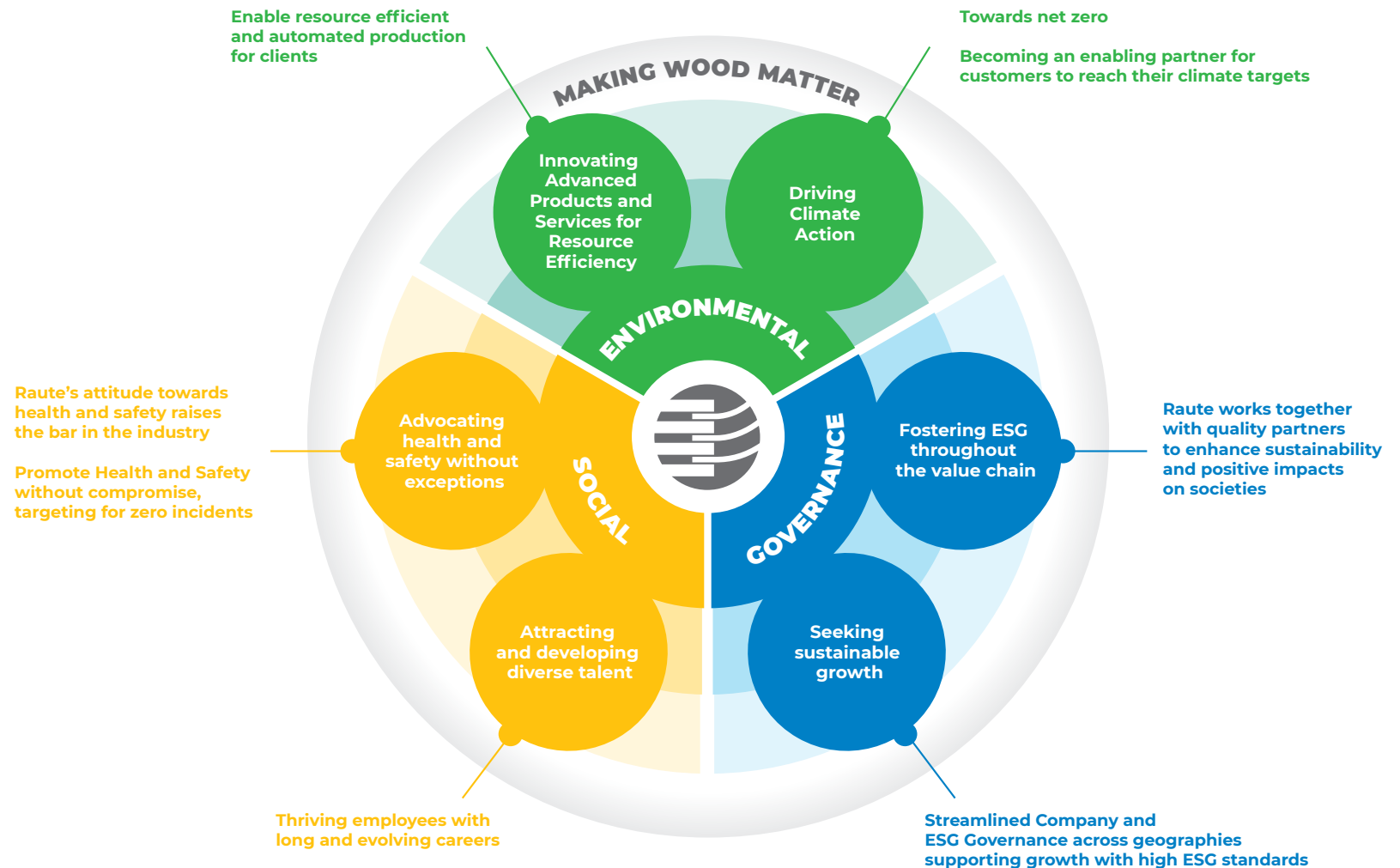
## Sustainable development goals

We acknowledge the significant impact that the UN's Sustainable Development Goals (SDGs) have both on our business and the wider world. From the perspective of our business, we have identified the most relevant SDGs, which we will take into account and promote in our operations. These priority SDGs are linked to our key ESG topics.



# Key ESG topics and targets

We have set targets and KPIs for all ESG areas and are actively defining measures to achieve these goals. On these pages, we present our renewed key ESG topics, including their descriptions.



## Environmental

### **Innovating advanced products and services for resource efficiency**

We ensure that our hardware and software are intelligently designed to support our customers' efficient consumption of natural resources, including raw materials. We strive to create value through innovation and circular actions, such as modernizing legacy machinery and offering end-of-use alternatives. By doing so, we seek to promote a more sustainable approach to manufacturing and contribute to a circular economy.

### **Driving climate action**

Raute takes action to mitigate its own carbon footprint by promoting the use of renewable energy sources and optimizing emissions from logistics and travel. Our goal is to achieve net-zero emissions in our own operations by 2030. In addition, we act as an enabling partner for our customers, helping them to reach their climate targets and create high-quality products that act as carbon storage. We also strive to mitigate other negative impacts on the climate and biodiversity.

## Social

### **Advocating health and safety without exceptions**

We prioritize the health and safety of all individuals involved in our operations, including our employees, contractors, suppliers and customers. We uphold a zero-compromise approach to ensuring the well-being of everyone in our value chain and strive to set the industry standard for safety practices.

### **Attracting and developing diverse talent**

Raute is an attractive employer to current and future talent and provides equal career opportunities. Raute supports employees in developing their technical, soft and digital skills and fosters a diverse and inclusive workplace.

## Governance

### **Fostering ESG throughout the value chain**

Raute ensures careful partner selection and the security of supply as well as understands and manages the significant environmental, social and governance impacts of its value chain. In collaboration with our suppliers and customers, we uphold ethical and sustainability standards throughout our value chain. We believe in enhancing transparency and promoting sustainable practices at every step of the way.

### **Seeking sustainable growth**

Raute pursues a growth strategy that incorporates environmental, social and governance considerations, while focusing on efficient operations and global optimization. This growth strategy aims to create employment opportunities, foster economic growth and enhance resilience throughout Raute's value chain. In the future, all R&D initiatives will include measurable ESG targets to ensure that sustainability is embedded in Raute's innovation efforts. In addition, Raute seeks to gain a competitive advantage by adopting a proactive compliance management approach that goes beyond the minimum requirements set by laws and regulations.

# Governance

## **Governance**

Responsibility is one of the fundamental values and ethical standards that guide our choices. We want to meet our customers' high expectations by growing and developing our business in an economically, socially and environmentally sustainable manner. In our administration, we comply with Finnish legislation, our Articles of Association, the rules and regulations of Nasdaq Helsinki and the Finnish Corporate Governance Code for listed companies.

Our operations are also guided by the policies and operating principles approved by the company's Board of Directors or the Group Executive Board. In the context of double materiality, the Group's assessments of its impacts on the environment and people will in the future complement and support the Enterprise Risk Management (ERM) process, which focuses on strategic, operational and financial risks. As part of our ESG roadmap, we are in the process of developing our sustainability governance structure, which includes defining roles and responsibilities and establishing policies.

## **Responsible business conduct**

We operate globally and act locally, respecting different cultures, values and customs. We have signed the United Nations (UN) Global Compact initiative, and the UN's Universal Declaration of Human Rights is an integral part of our culture, which emphasizes recognizing the value of diversity and inclusion in our work. The fundamental rights at work as defined by the International Labor Organization (ILO), including the freedom of association, the right to collective bargaining, the abolition of forced labor and equal opportunities and treatment of employees, are of utmost importance to us.

Raute's Code of Conduct summarizes our requirements and expectations concerning responsible and ethical operations. To ensure that our ESG priorities are being communicated and enforced consistently, we will update our Code of Conduct in the spring of 2023, ensuring its alignment with Raute's updated strategy, ESG targets as well as the new sustainability standards.

Moreover, we are accountable to our customers for following the Code of Conduct, both with regard to our organization and the entire supply chain. Updated in 2022, Raute's supplier handbook specifies more detailed requirements related to the responsibility of Raute's suppliers. We have zero tolerance for corruption, bribery and money laundering. To avoid the risk of fraud, we continuously monitor and develop our practices and systems. Raute has an internal procedure in place that allows Raute employees to report suspected breaches of the rules and regulations through an independent channel within the company (whistleblowing). The reported incidents are duly investigated, and necessary actions are taken accordingly.

## **Gap analysis of our sustainability**

We are committed to continuously enhancing our compliance framework to ensure that we meet our regulatory obligations as efficiently as possible, while also adhering to industry best practices in the regions where we conduct our operations. As



part of our sustainability development efforts and ESG roadmap, we have conducted a gap analysis to assess our readiness for the upcoming EU-level policy developments related to sustainability.

The analysis addressed Raute's compliance with the requirements of the EU's new proposed Corporate Sustainability Reporting Directive (CSRD) as well as the EU's proposal on Corporate Sustainability Due Diligence Directive (CSDDD). The gap analysis on the CSDDD focused on social responsibility aspects, as the proposal is still the draft directive. Moving forward, Raute will develop its social responsibility leadership and human rights efforts to meet the requirements of the CSDDD and, later, its environmental responsibility as the environmental requirements of the directive become more specific.

For more information on Raute's corporate governance, responsibility and investor relations, visit [www.raute.com](http://www.raute.com)



Photo: Raute Corporation





# Stakeholders

Our main stakeholders include our employees, customers, suppliers, and the authorities as well as the financial community with whom we are in a continuous dialogue. We are a major employer and taxpayer in the Lahti region in Finland. In addition,

we contribute to the local community and future wood industry through active collaboration and systematic engagement with schools, universities, and different types of industrial and professional associations.

## We are a member of several organizations:

- Technology industries of Finland
- Foundation for the Global Compact
- Code From Finland association
- Securities Market Association
- Lahden Teollisuusseura Ry
- Häme Chamber of Commerce
- The Welding Society of Finland (WSF)
- Finland-China Business Association
- EastCham Finland Ry
- Metalliteollisuuden Standardisointiyhdistys Ry
- Suomen Puuteollisuusinsinöörien Yhdistys
- Excellence Finland
- Finnish Association of Purchasing and Logistics LOGY
- Nastolan Teollisuusryhmä Ry
- Perheyrittäjien Liitto Ry
- Kunnossapitoyhdistys Promaint Ry
- Dimecc Oy
- Hardwood Plywood and Veneer Association
- The Engineered Wood Association
- Southeastern Lumber Manufacturers Association (SLMA)
- MSR Lumber Producers Council (MSRLPC)

### **Stakeholder engagement**

We are actively looking for opportunities to grow profitably and sustainably and to create value for all our stakeholders through our operations. Raute's stakeholders are keen to comprehend the various ways in which Raute promotes sustainability. Besides the company's internal stakeholders, this includes investors who seek knowledge about the potential opportunities and risks related to ESG matters as well as the business partners and customers who want to know how Raute's business activities and products affect the stakeholders' interests.

In our 2023 double materiality assessment, we further strengthened our stakeholder engagement approach by initiating a dialogue with our key stakeholders regarding our sustainability impacts. Based on the assessment, the issues that our stakeholders consider important include, for example, supply chain sustainability, attracting and engaging employees and innovative and sustainable solutions.

We are committed to transparently communicating our progress on ESG reporting and engagement. This includes closely monitoring the development of various sustainability reporting frameworks, with a particular focus on global standards such as the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) being established in the EU. Our ESG roadmap, which includes a recent gap analysis of our readiness for the EU's CSRD requirements, will guide our future work on sustainability and reporting.

The next section of this report provides a status update from 2022 describing Raute's environmental, social and economic impact within related ambitions and targets.



Photo: Raute Corporation



# OVERVIEW OF 2022

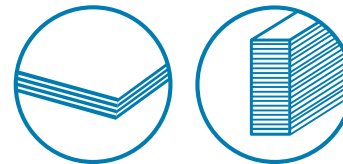
# Environmental impacts in the value chain



Human activities, including harvesting forest resources, can negatively affect forest ecosystems.



We help our customers to maximize the yield and value of their forest assets as raw material in a resource-efficient way.



Engineered wood products are made of renewable, recyclable wood, replacing many materials with a harmful environmental impact.



The challenge in the value chain is to find a solution to replace current harmful glue types – this is an opportunity for Raute.

**Raute's solutions enable high yield of raw materials and energy efficient processes.**

# Environmental impact 2022

Most of the products manufactured with Raute's machinery are recyclable and have a long life. Wood products that store carbon have a positive climate impact. Increasing the use of sustainably produced wood in construction, logistics and furniture, for example, is an effective way to reduce emissions.

We aim to actively reduce the environmental impacts and risks of our own activities. We systematically measure our carbon footprint, i.e. the amount of carbon dioxide emissions associated with our own activities. This measurement includes our own electricity, heat, and fuel consumption.

In 2022, our energy efficiency improved by 1,5% (0,1 KWh) per working hour and our Scope 1–2 CO<sub>2</sub> emissions reduced by 6,3% (85 tonnes CO<sub>2</sub>). Our daily water consumption per employee remained

at the 2021 level (19 liters/day) and the amount of mixed waste in relation to net sales fell 7% (0.3 tonnes) compared to the previous year in Finland.

Our energy efficiency has improved by about 11% over a three-year period and Scope 1–2 CO<sub>2</sub> emissions have decreased by 46.9% from the level in 2019. The improvement is driven by the higher share of hydropower and internally generated solar energy in Finland. We operate a solar power plant at our Lahti factory. On a sunny day, it can produce about one third of our average daily electricity consumption, helping us to decrease our carbon footprint.

We have further accelerated the digitalization of our operating model and customer offering in the aftermath of the COVID-19 pandemic. Especially, we have developed our

MILLSIGHT software used in virtual monitoring of product lines in the commissioning stage. We see this as a competitive advantage for us.

Remote work and less travel have also become the norm in the aftermath of the COVID-19 pandemic. While physical contact remains an important factor in client relations, underlying work, online events, and even commercial negotiations can be conducted virtually until the signing of an agreement. Both digitalization and changing our ways of working help us to achieve our environmental targets.

We have the ISO 9001 (quality) and ISO 14001 (environment) certifications for our headquarters and factory at Lahti. During 2022, annual external and internal audits were conducted at the Lahti factory. In

our environmental management program, we focus on, for instance, the management of chemical safety and reducing the volume of waste. In 2022, the execution rate for measures concerning managing environmental matters was 68% (77) of the target set according to our ISO 14001 program.

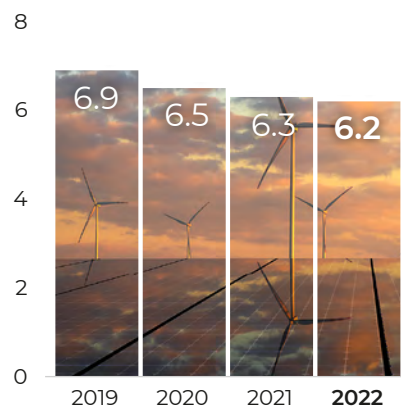
In the future, according to our new ESG roadmap, we will focus on enabling resource efficient and automated production for clients. Going forward, we will also focus increasingly on mitigating our own carbon footprint as well as acting as an enabling partner for our customers to reach their climate targets.



**1%**  
improvement

## Energy efficiency

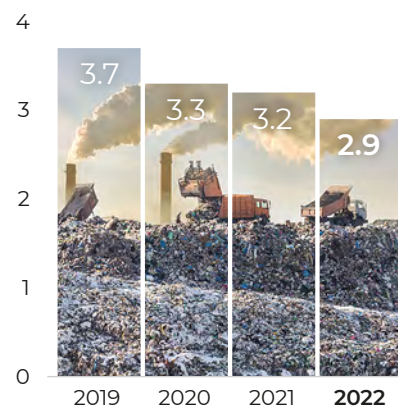
6.2 kWh/working hour  
Change from 2019: -10%



**7%**  
reduction

## Waste

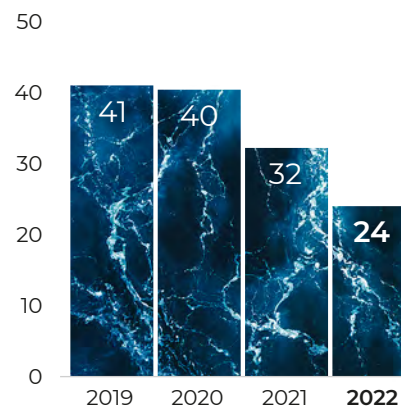
2.95 tonnes/net sales MEUR  
Change from 2019: -22%



**25%**  
reduction

## Water consumption

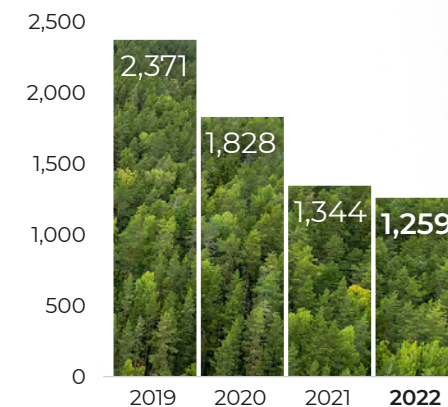
24.0 liters/person/workday  
Change from 2019: -41%



**6%**  
reduction

## CO<sub>2</sub> emissions

Total emissions (Scope 1-2), tCO<sub>2</sub>e  
Change from 2019: -47%



Photos: Raute Corporation



# Social impact 2022

The cornerstones of our social impact are occupational safety and the right working methods, whether at our own units or at our customers' mills. In 2022, we continued our occupational safety program and systematic occupational safety work, including e.g. a near miss analysis, daily safety moments and online training for all employees.

We achieved our annual target for the year of 2022 regarding our occupational safety culture. This means that there were no more than 10 absences resulting from occupational accidents lasting at least one day for every million working hours.

In 2022, the LTIF figure developed in the right direction, being 6.2 (9.0), and was within our target for a third consecutive year. In Finland, the LTIF figure improved to 3.0 (7.0). Raute's occupational safety has improved considerably in the past five years, as the Group-wide LTIF figure was 23.7 in 2018. The 2022 LTIF figures were at a record low since Raute began reporting the figure.

In line with Raute's new ESG roadmap, our future ambitions for social responsibility will include advocating for health and safety without exceptions. Additionally, we aim to attract and develop diverse talent. Read more about our renewed ESG targets and roadmap on page 10–11.

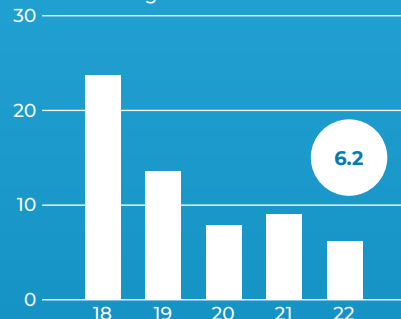
Photo: Raute Corporation



## Occupational safety

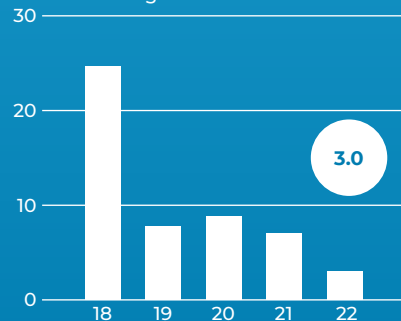
Raute LTIF\*

Million working hours



Raute Finland LTIF\*

Million working hours



\* Number of workplace injuries which lead to absence of at least one day / total work hours x 1,000,000

Supporting our personnel's wellbeing and development as well as investing in future talents are foundations of Raute's personnel responsibility. A more detailed description of the personnel-related matters can be found in Annual Report 2022.



Photo: Raute Corporation



# Economic impact 2022

There is growing global demand for clean technology in the wood products industry. One of the focus areas is climate emissions from raw materials such as wood. This global trend supports our long-term business, as we deliver resource-efficient solutions that enable a smarter use of renewable wood materials. However, the wind-down of Raute's business operations in Russia negatively impacted Raute's ability to create value to stakeholders in 2022.

MEUR

158.3

Customers

114.0

- Suppliers

44.3

= Generated  
added value

112.3% Employees  
0.8% Creditors  
26.7% Public sector  
0.0% Shareholders (proposed dividend)  
-39.7% Economic value retained from the company

# Reporting principles

Raute communicates regularly and transparently on its progress in sustainability and provides practical examples of the measures it has taken. We also provide relevant information and data to our external stakeholders such as customers and suppliers. The sustainability information is disclosed annually in an annual or sustainability report, and sustainability reporting is aligned with reporting on the financial year (calendar year 2022). Unless otherwise stated, the list of entities included in sustainability reporting is aligned with financial reporting and are listed in the Financial Statements 2022.

Raute's annual reporting contains three reports: Sustainability Report 2022, Annual Report 2022 and Financial Statements 2022 along with the Corporate Governance Statement 2022, the Non-financial Information Statement 2022 and the Remuneration Report 2022. In this Sustainability Report, we describe the strategic direction of our sustainability approach as well as the key ESG topics in which we intend to achieve our sustainability goals. Moreover, the report documents our sustainability performance in terms of environmental, economic and social impact (health and safety).

The Sustainability Report 2022 is complemented with the Annual Report 2022, which contains information about Raute's operating environment,

business operations and value creation. In terms of social responsibility, we have reported key indicators related to wellbeing at work, diversity and training, as well as key indicators related to job satisfaction and competence in the Annual Report.

Raute is working to ensure that ESG issues are reported transparently, in line with the double materiality assessment and in alignment with relevant regulations and international guidance. Therefore, Raute has, for the first time, applied the Global Reporting Initiative (GRI) Standards in its reporting. Raute's reporting has been prepared with reference to the GRI Standards. This means that the reporting covers the selected General Disclosures as well as the Topic Standards that Raute has deemed material. The topic standards are 2016 versions unless otherwise stated next to the standard number. The online GRI content index on the next page lists these disclosures with reference to the GRI Standards and refers to the locations (supported by URL links when referred to the Sustainability Report 2022) where these issues are addressed in our annual reporting. The location references are complemented with additional information in the index. The sustainability information has not been externally assured. However, Raute is committed to continuously improving its annual sustainability reporting.

Financial reports are governed by the International Financial Reporting Standards (IFRS), and governance reports comply with the legislation on listed companies and the Finnish Corporate Governance Code that applies to listed companies. The reported financial data is based on audited financial statements.

The environmental data is collected primarily from energy companies, electricity network companies, Raute's suppliers and waste management operators, and the majority of personnel data comes from HR management systems. Raute's environmental information presented in the GRI index covers the same entities as those listed in the Financial Statements 2022 with the following exceptions: data for waste-related indicators as well as volatile organic compound (VOC) emissions cover Raute's operations in Finland. Raute's Shanghai factory, closed down in 2022, is excluded from the environmental data collection. Data for the personnel-related indicators is consolidated mainly for the whole Group.

Sustainability contact at Raute:  
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# GRI index 2022

## Statement of use:

Raute Oyj has reported the information cited in this GRI content index for the period Jan 1, 2022 – Dec 31, 2022 with reference to the GRI Standards

## GRI used:

GRI 1: Foundation 2021

## GRI content index 2022

Disclosure	Contents	Location	Additional information
GRI 2: General Disclosures			
2-1	Organizational details	Non-financial information statement 2022: Business model description, Financial Statements 2022: Shares and shareholders section, Sustainability Report 2022, Back cover	More information about Raute's operating countries is available on our <a href="#">website</a> .
2-2	Entities included in the organization's sustainability reporting	<a href="#">Reporting principles</a>	
2-3	Reporting period, frequency and contact point	<a href="#">Reporting principles</a>	
2-4	Restatements of information		No restatements of information from previous reporting periods.
2-5	External assurance	<a href="#">Reporting principles</a>	
2-6	Activities, value chain and other business relationships	Annual Report 2022, Value chain, pp. 10–11 Annual Report 2022, Operating environment, pp. 12–14 Annual Report 2022, Raute's solutions, pp. 20–24	During 2022, Raute's operations in China were discontinued (the operations of Raute's Shanghai factory) and later continued in the new Changzhou factory, which was established at the end of 2021.
2-7	Employees	Non-financial information statement 2022: Personnel and work safety Annual Report 2022, Personnel, p. 29, p. 31	
2-9	Governance structure and composition	Annual Report 2022, Board of Directors, pp. 38–41 Corporate Governance Statement 2022: Descriptions of corporate governance; Details of Board members, Board Committees, President and CEO, Other Executive Board members	
2-10	Nomination and selection of the highest governance body	Annual Report 2022, Board of Directors, p. 38 Corporate Governance Statement 2022: Descriptions of corporate governance; Election of Board members, Planning the composition of the Board of Directors, Board of Directors' diversity principles, Appointments Committee	
2-11	Chair of the highest governance body	Corporate Governance Statement 2022: Descriptions of corporate governance; Details of Board members	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement 2022: Descriptions of corporate governance; Description of the Board's activities	The Board of Directors has defined the company's Code of Conduct, which guides personnel to act responsibly in compliance with Raute's values.

Disclosure	Contents	Location	Additional information
2-13	Delegation of responsibility for managing impacts	<a href="#">Sustainability Report 2022, Governance</a>	Responsibility is one of the four values that guide Raute's operations. The Board of Directors administers the company's operations in accordance with the regulations laid down in the law and the Articles of Association. The President and CEO steers the Group's business operations via the Executive Board and the operative units. The directors who oversee the operative units report to the President and CEO. The President and CEO implements the steering and monitoring of the operative units' tasks, with the assistance of the operations of the Executive Board and Group Administration. The Executive Board prepares the Group's business strategy, oversees its implementation and addresses all major operational issues, including sustainability issues.
2-14	Role of the highest governance body in sustainability reporting		The Board of Directors' responsibilities include reviewing and approving the company's financial statements, including Non-financial information statement.
2-15	Conflicts of interest	Corporate Governance Statement 2022: Descriptions of corporate governance; Details of Board members, Corporate Governance Statement 2022: Related party transactions	Additionally, conflicts of interests are addressed in <a href="#">Raute's Code of Conduct</a> .
2-16	Communication of critical concerns		The Board of Directors' responsibilities include monitoring the internal control system, as well as the plans for internal and external audits. Moreover, Raute has an internal reporting channel (whistleblower) for reporting any detected misconduct. Either the company's management or Chair of the Board of Directors, depending on what the report pertains to, investigates and handles any such reports.
2-19	Remuneration policies	Remuneration Report	The remuneration report is available on our <a href="#">website</a> .
2-20	Process to determine remuneration	Remuneration Report	The remuneration report is available on our <a href="#">website</a> .
2-22	Statement on sustainable development strategy	<a href="#">Sustainability Report 2022, CEO's review</a>	
2-23	Policy commitments	<a href="#">Sustainability Report 2022, Governance</a> Non-financial information statement 2022: General principles of responsibility management Non-financial information statement 2022: Respect for human rights	Raute's Code of Conduct summarizes our requirements and expectations concerning responsible and ethical operations. The Code of Conduct is available on our <a href="#">website</a> . Additionally, we have identified the most relevant UN Sustainable Development Goals to our business, which we pay attention to and promote them in our operations.
2-24	Embedding policy commitments	Non-financial information statement 2022: Respect for human rights Non-financial information statement 2022: Anti-corruption and anti-bribery	Please see chapter 'Implementation and application of the Code of Conduct' in Raute's Code of Conduct available on our <a href="#">website</a> .
2-26	Mechanisms for seeking advice and raising concerns		Raute has an internal procedure in place that allows Raute employees to report suspected breaches of the rules and regulations through an independent channel within the company (whistle-blowing).
2-27	Compliance with laws and regulations		The operations of Raute Corporation and its subsidiaries (Raute Group, Raute) are based on compliance with the legislation in effect, the regulations covered by the legislation, and ethically acceptable operating methods. During the year 2022, no incidents of non-compliance occurred.
2-28	Membership associations	<a href="#">Sustainability Report 2022, Stakeholders</a>	
2-29	Approach to stakeholder engagement	<a href="#">Sustainability Report 2022, Stakeholders</a>	
<b>GRI 3: Material Topics</b>			
3-1	Process to determine material topics		Raute's 2022 sustainability reporting has been prepared in accordance with the key sustainability themes defined material for the company through a stakeholder analysis in 2019. In the beginning of 2023, Raute conducted a double materiality assessment to reflect the maturity and integration of sustainability in the company's strategy. The current assessment uses the widely adopted reporting frameworks from the GRI Standards along with the latest thinking of EU's Corporate Sustainability Reporting Directive. Through the assessment, Raute prioritized its financially material and impact material topics, which will inform the company's ESG reporting in the future and will be updated regularly. More information about Raute's double materiality assessment process can be found in the section <a href="#">Double materiality assessment</a> .

Disclosure	Contents	Location	Additional information
3-2	List of material topics		Raute's 2022 sustainability reporting reflects the company's environmental, social and economic impact in accordance with the key sustainability themes: Lifetime partnership with customers to help them succeed; Continuous improvement of work safety, both in our own operations and when customers are using our equipment; Sustainable choices in supply chain and business ethics; Environmentally efficient production to reduce our environmental impact; Competence development of our personnel; Systematic stakeholder engagement and local community work; and Product and service solutions to improve the resource efficiency of wood products. The key sustainability themes were defined material for Raute through a stakeholder analysis carried out in 2017. In the beginning of 2023, Raute updated its approach to materiality assessment and as a result, defined its renewed key ESG topics. The descriptions of these topics can be found in the section <a href="#">Key ESG topics and targets</a> .
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	<a href="#">Sustainability Report 2022, Economic impact 2022</a>	
GRI 205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	Non-financial information statement 2022: Anti-corruption and anti-bribery	In 2022, 85 percent of employees had successfully completed a course on values and the Code of Conduct in the online learning environment, RauteACADEMY.
205-3	Confirmed incidents of corruption and actions taken	Non-financial information statement 2022: Anti-corruption and anti-bribery	Raute reports on the reported incidents of potential non-compliance with Raute's Code of Conduct, which includes reported corruption cases. One potential non-compliance case was reported in 2022. No corruption cases were reported. The reported case was duly investigated, and necessary actions were taken accordingly.
GRI 206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No legal actions regarding anti-competitive behavior, anti-trust, or monopoly practices in 2022.
GRI 302: Energy			
302-1	Energy consumption within the organization	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	
GRI 303: Water and Effluents (2018)			
303-5	Water consumption	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	
306-3	Waste generated	<a href="#">Sustainability Report 2022, Environmental impact 2022</a> Non-financial information statement 2022: Key non-financial figures	

Disclosure	Contents	Location	Additional information
GRI 401: Employment			
401-1	New employee hires and employee turnover	Annual Report 2022, Personnel, pp.29–31 Non-financial information statement 2022: Key non-financial figures	
GRI 403: Occupational Health and Safety (2018)			
403-1	Occupational health and safety management system	Annual Report 2022, Personnel, pp. 29 Non-financial information statement 2022: Social and employee-related matters	
403-2	Hazard identification, risk assessment, and incident investigation	<u>Sustainability Report 2022, Social impact 2022</u> Non-financial information statement 2022: Social and employee-related matters	
403-9	Work-related injuries	<u>Sustainability Report 2022, Social impact 2022</u> Non-financial information statement 2022: Key non-financial figures	
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Non-financial information statement 2022: Key non-financial figures	
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Annual Report 2022, Personnel, p. 29, p. 31 Annual Report 2022, Governance, p. 39, p. 41 Non-financial information statement 2022: Key non-financial figures	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken		In Finland, Raute has an equality plan that is in compliance with the law and which is intended to promote equality, prevent discrimination and reinforce the legal rights of individuals who become the target of discrimination. The company has an internal procedure in place that allows Raute employees to report suspected breaches of the rules and regulations through an independent channel within the company (whistle-blowing). In 2022, no discrimination-related matters were reported.
GRI 417: Incidents of non-compliance concerning product and service information and labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling		No incidents reported in 2022.
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No complaints reported in 2022.





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