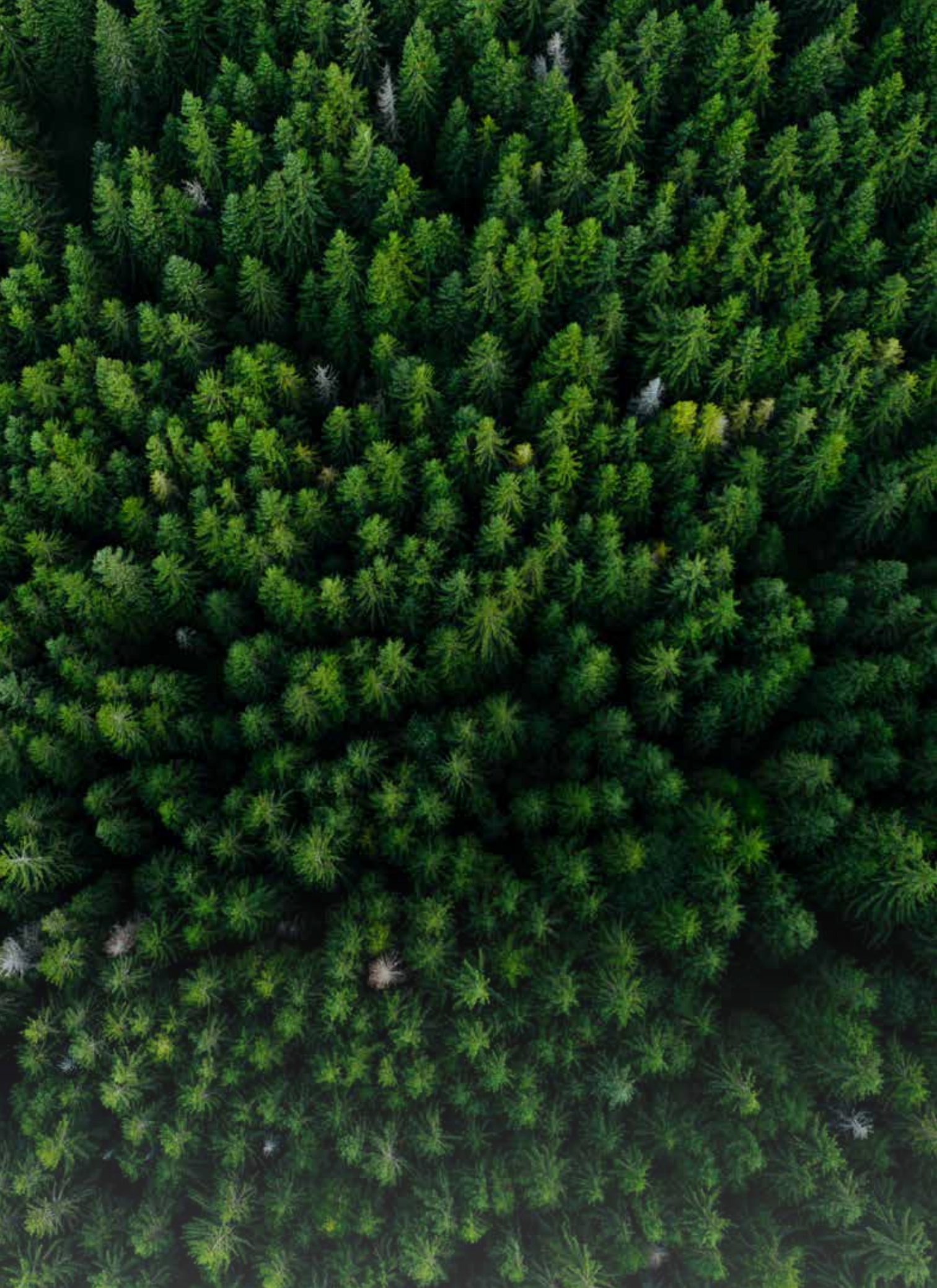
IIVARI MONONEN

SUSTAINABILITY REPORT

2024



Only sustainable companies succeed

Our industry is facing major changes and only sustainable and profitable companies will succeed in the future. Our Group's operations are growing thanks to acquisitions and increased demand. At the same time, we are increasingly emphasising sustainability in our operations. The decisions we make today will have lasting impacts for years to come. By always operating sustainably, we gain a clearer understanding of the long-term impacts of our actions and ensure a secure future for everyone.

The creosote oil used in our main product, impregnated poles, will be removed from the market in 2029. Alternative impregnating agents require significant investments at different stages of production. In 2024, we launched an investment programme that will last for the entire decade and during which we will invest more than EUR 20 million in developing our plants. When making investment decisions, we always account for operating costs and energy consumption. We aim to make decisions that are as energy- and resource-efficient as possible in order to minimise the adverse environmental impacts of our operations and improve our profitability.

Sustainability is one of our values, and we prioritise sustainability in seven crucial areas that guide our decision-making: locality, taxation, the environment, products, product development, business continuity and transport. This report is divided into these focus areas.

Let's make this a great story together!

Ari Mononen
CEO
Iivari Mononen Group

In 2035, we are 100% carbon-neutral

By 2035, we promise to achieve carbon neutrality in our production line, ensuring sustainable operations.

Our sustainability pledge

We strive to maintain growth, profitability, and a stable financial position so that we can plan our operations for the long term.

By ensuring the profitability of our business, we can create employment opportunities and drive responsible development in our operations.

Locality and taxation

Our Group companies are significant employers and members of the local community in their respective areas. Over the past seven decades, we have grown from our roots in Ilomantsi into an international player. Today, we operate in five European countries: Ireland, the United Kingdom, Norway, Sweden, and Finland.

Most of our employees reside in or near the area in which we operate. It is important to us that these areas maintain their vitality. That vitality is created through good services, diverse recreational activities and a pleasant environment. We pay our taxes in the places that we operate in, which benefits not only our employees but also the area as a whole.

We provide work opportunities for local contractors by investing and developing our plants. This has an indirect job creation effect that promotes the vitality of the area. Offering employment opportunities to young people is a heartfelt priority for us. We offer summer jobs, internships and thesis writing opportunities for young people in the areas in which we operate and, whenever possible, we try to employ them after they have graduated.

Responsibility is at the core of our operations and guides us to build a sustainable future together with our communities.

Our sustainability investments in 2024

4.1 million euros

In recent years, we have made great investments in the environmental impacts of our operations. Our largest investments have concerned environmental responsibility, digitalisation and the modernisation of our production.

95%

Local wood

95% of the wood we source comes from areas close of our plants. This allows us to keep the transport distances of raw materials as short as possible and also support local forest owners. The rest of the wood we source comes from verified legal sources in Europe and North America.

In 2024, Iivari Mononen Group employed a total of 197 people across four countries. The distribution of employees by country was as follows:

- Finland 87
- Norway 43
- United Kingdom 35
- Ireland 31
- Sweden 1

In 2024, we paid wages totalling

approximately 10 million euros

A total of 36 new employees joined us during 2024, 19 of these in permanent employment. In March, we welcomed 30 new colleagues from Ireland in connection with the acquisition, and they have integrated into our organisation very well.

Environment

Caring for the environment is of utmost importance to us. Only healthy forests can produce high-quality raw materials for our products.

All of the wood used in our products comes from responsible sources. Our Group has a PEFC certificate that covers all of the companies belonging to Iivari Mononen Group. We source our timber from as close to our production plants as possible to ensure that emissions from the transportation of timber remain low. We also prefer low-emission options for the transportation of finished products.

By minimising energy consumption and using as much renewable energy as possible, we are reducing our own greenhouse gas emissions.

ISO 14001

environmental management system

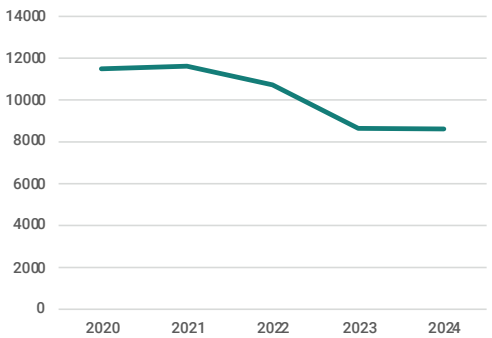
The ISO 14001 series of standards that is used throughout the Group provides tools for environmental management and improving the level of environmental protection. The standard supports sustainable development from the point of view of both ecological and economic goals.

Amount of waste decreased in 2024

20,5%

in relation to turnover

As our operations grow, we want to keep the amount of waste low. We invest in the reduction of waste from production, such as packaging plastic, and seek to replace such materials with better alternatives. The bark, chips and sawdust generated in production are used in heat production.



The amount of fossil energy in relation to the Group's turnover. Litres per EUR million.

Less fossil energy

Fossil energy represents a small share of our total energy consumption. The use of bark and residue chips from production in heat production at our Höljäkkä and Ilseng plants is a significant factor in the low share of fossil energy. Although our business has grown, the share of fossil fuels in relation to turnover has consistently decreased. In 2025, our goal is to reduce the use of fossil diesel by 5% in relation to turnover.

We use zero-emission electricity

We use zero-emission electricity supplied by Pohjois-Karjalan Sähkö in our companies operating in Finland (Scanpole Oy and PrimaTimber).

WOOD

IS A RENEWABLE RESOURCE

Wood products store carbon throughout their lifecycle, and our wood products store several times more carbon than the carbon emissions generated in their production. The carbon footprint of our products is small when compared to the competing materials.

EPD

Scanpole's environmental product declarations (EPDs) for poles have been published. The EPD covers the lifecycle environmental impacts of the poles. The EPD documents are published both on Scanpole's website and in Rakennustieto's EPD database: ymparisto.rakennustieto.fi.

PEFC

PEFC/02-31-152

Our raw wood material is PEFC-certified, which ensures that the wood comes from legal and authorized sources. In our main supply areas in the Nordic countries, it is easy to source sustainable raw materials, as almost all forests are certified.

Carbon stored in the product

Fossil emissions arising from production

PrimaTimber's products store about

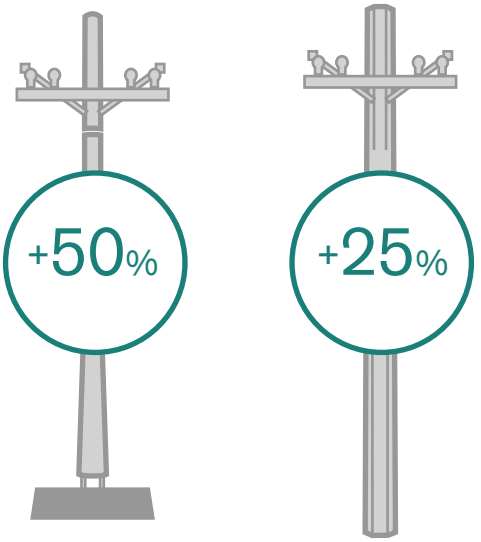
13

times more carbon than their production causes fossil emissions.

ScanPole's products store about

4

times more carbon than their production causes fossil emissions.



Steel pole

Concrete pole

Manufacturing products using steel or concrete generates a much larger amount of fossil emissions on average. For steel products, the level of emissions from production is estimated to be twice as high as that of wood products. Unlike wood products, they also do not store carbon.
(Source: Massachusetts Institute of Technology, 2019)

Products and product development

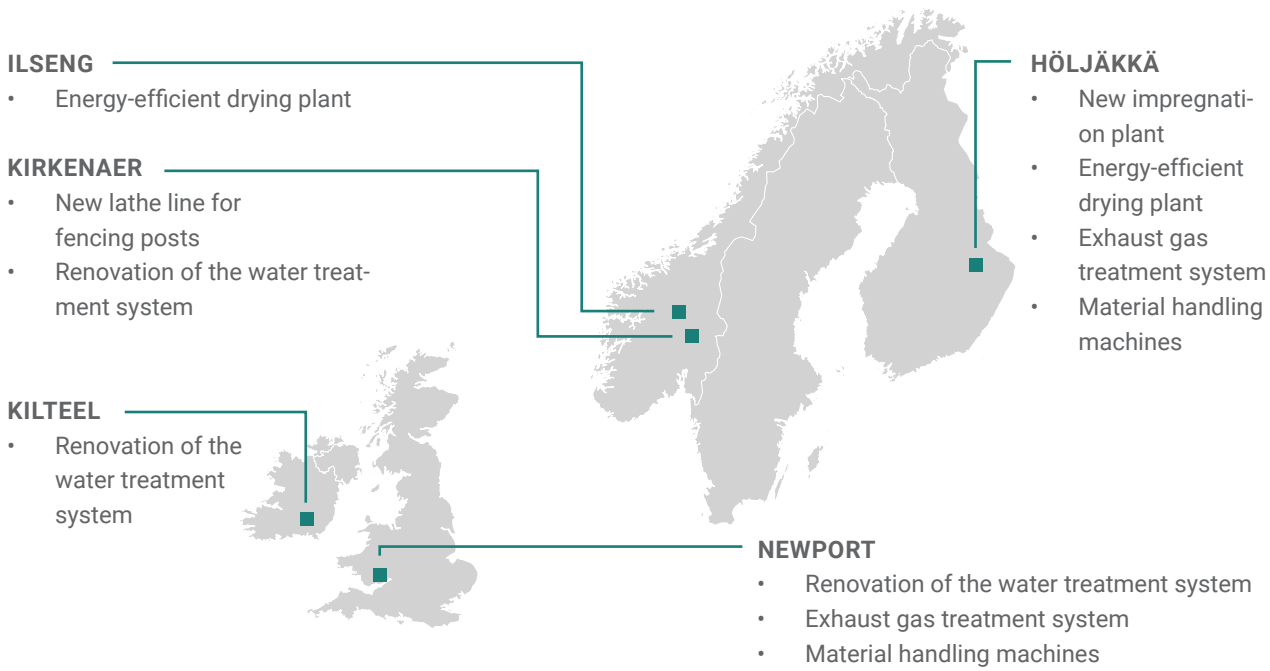
Pole+ aitapaaluista valmistettu aita eteläisessä Englannissa

We want to be at the forefront of product development and invest in future innovation. Tightening regulation provides us with an excellent opportunity to elevate our operations to a more sustainable level. For example, we have introduced new copper oil-impregnated Pole+ products that are as durable as wood products treated with traditional impregnation agents.

Investments in our production plants are an integral part of our product development. In 2024, we launched a sustainable investment programme that will last for the entire decade and during which we will invest more than EUR 20 million in developing our plants.

In 2024, we modernised the oil impregnation lines at the Ilseng plant to meet future impregnation requirements. Next up is the Höljäkkä plant, where a new copper oil impregnation line will be completed in 2025.

We are investing in more sustainable production



Pole+ products collect positive feedback

Prohibitive or restrictive measures against creosote, which has been conventionally been used as an impregnating agent, will lead to the adoption of new impregnating agents that are safer for the environment.

Scanpole's Pole+ products are a sustainable and durable alternative to poles treated with traditional impregnation agents. The products are treated with copper oil. The protective agents in copper oil slow down the decay of the wood, and the water-repellent properties are achieved by using a carrier oil. Compared to products treated with traditional impregnation agents, Pole+ products have a lower carbon footprint.

The market launches of the products and user training have now continued for two years. The products have been very well received by the market, and sales of Pole+ products grew by as much as 160 per cent in 2024.

Based on user feedback, the products are pleasant to use because they are safe to install and have a mild characteristic odour.

The durability of Pole+ products meets the strict requirements set for critical infrastructure. The product can also be safely reused.

Transport


PRIMA TIMBER
Priimaluokan puutuotteita vuodes
KULJETUSLIIKE
E. Mäkinen
JOENSUU
NTM

Our products are exported all over the world. Our products may sometimes travel over long distances and periods of time. We use lower-emission rail and ship transport to the maximum extent when transporting our products.

We source the raw materials used in our products as locally as possible to ensure that their journey from source to our production plants remains as short as possible.

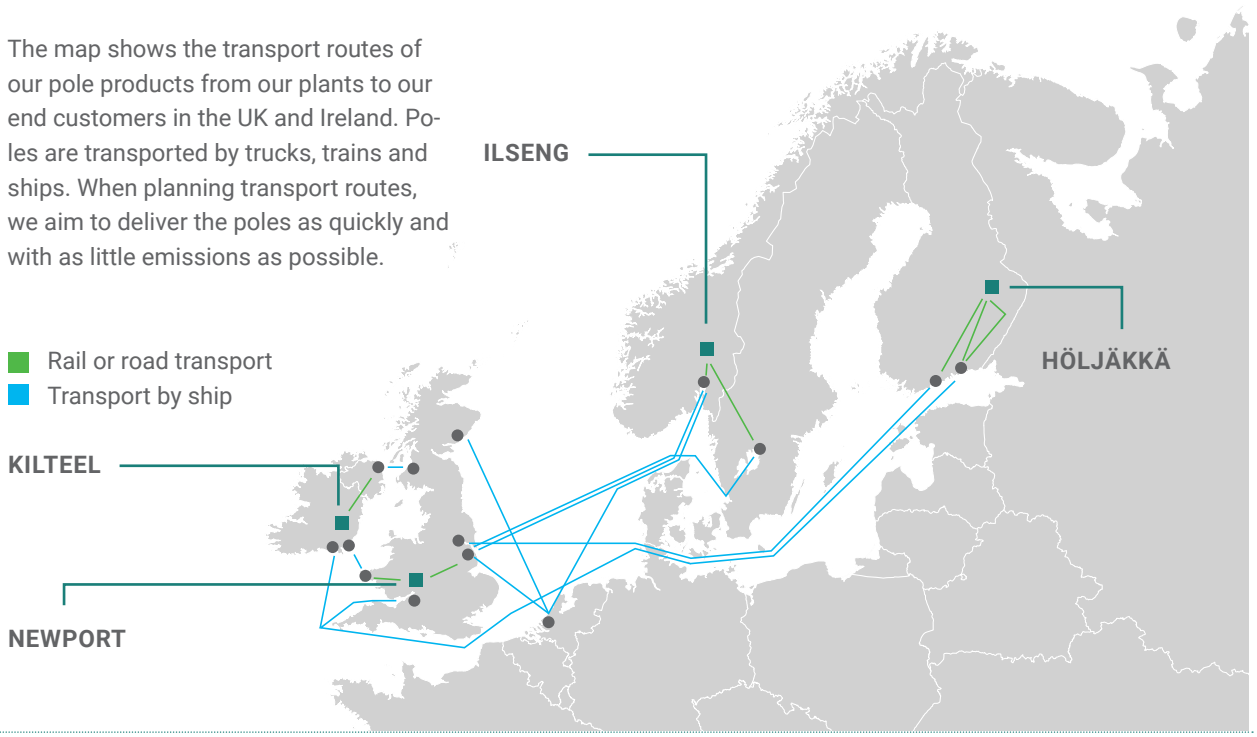
In 2024, the emissions from the transports we used decreased by

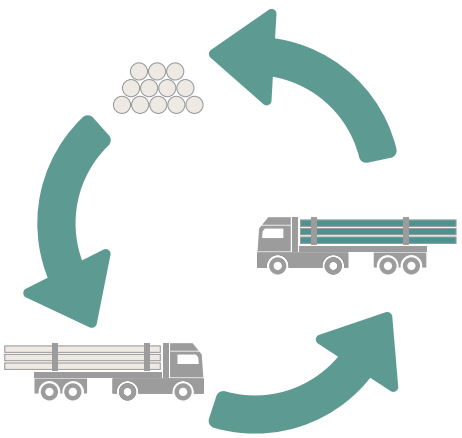
13.3%

in relation to turnover

We use transports with the lowest possible emissions

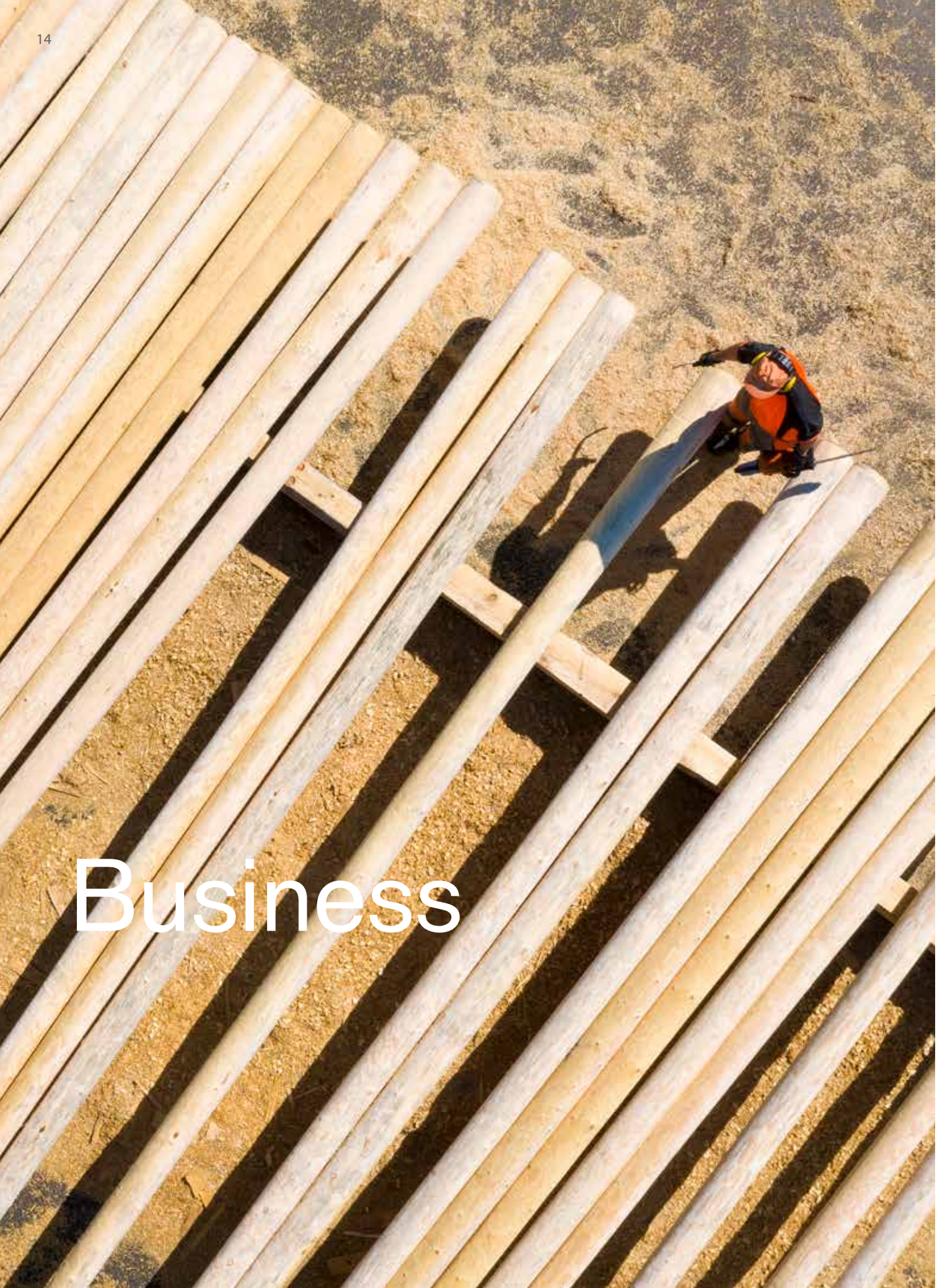
The map shows the transport routes of our pole products from our plants to our end customers in the UK and Ireland. Poles are transported by trucks, trains and ships. When planning transport routes, we aim to deliver the poles as quickly and with as little emissions as possible.





Systematic approach to road transports

When we deliver poles to customers in Finland and Norway by lorry, we aim to plan the routes so that the pole lorries pick up raw poles from logging sites on the return trip. This enables us to improve the efficiency of our transport chain and avoid unnecessary driving. For our pole transport operations, we use local transport companies with whom we have cooperated for years.



Business

Our Group's operations have grown strongly over several years. Growth has been built in the long-term on a financially sustainable foundation rather than through risk-taking.

Our growth in recent years has come from domestic and international markets and through acquisitions. This means taking into account and reconciling different cultures. New employees need information and clear communications with regard to many things that are self-evident to employees who have worked for the Group for a long time. It is important to us that all of our employees know and adopt the values and practices that are important to our Group.

A responsible and considerate working community is important in building our internal culture.

Our Group has a number of different guidelines on responsibility, from recycling office paper to unloading chemical substances and refuelling.

Occupational safety will continue to be important to us and will require continuous improvement. Occupational safety is taken into account in the planning of all investments.

Today's decisions have far-reaching implications.

The world is changing fast now, and we cannot foresee everything. No matter what happens along the way, we must always take sustainability into account in future decisions. When operations are developed in as responsible a manner as possible at all times, it improves the predictability of impacts and lays down a solid foundation for profitable, long-term operations for decades to come.

Our values

Trust
We keep our promises.

Courage
We believe in our objectives and carry out all operations to the end.

Sustainability
We leave behind us sustainable operations for future generations.

Flexibility
We operate dynamically and seek the best solutions for our goals.

Collaboration
We help our colleagues and build long-term partnerships.

Sustainability and climate calculations

Terminology

Carbon footprint calculation method

Iivari Mononen Group calculates its carbon footprint from the forests to the storages facilities at production plants in accordance with the Greenhouse Gas (GHG) Protocol. The GHG Protocol is an international standard used in carbon footprint calculations and for the uniform reporting of emissions. More detailed information on the GHG Protocol is available at ***ghgprotocol.org***. (GHG = Greenhouse gas)

Carbon footprint

Fossil carbon emissions caused by human activity. The term carbon footprint refers to the climate burden generated by a product, activity or service. In other words, it is the amount of greenhouse gases produced during the lifecycle of a product or an activity. It takes into account not only CO2 emissions but also other significant greenhouse gas emissions, such as methane and nitrous oxide.

The concepts of carbon footprint and climate burden have been turned into a measuring tool that can be used to assess the impact of various actions and consumption choices on global warming.

Carbon neutrality

Carbon-neutrality refers to situations, where actions have no impact on the carbon status of the atmosphere. In other words, the carbon footprint for such actions is a net zero. A carbon-neutral company only emits as much carbon into the atmosphere as it can absorb through its operations. A carbon-neutral product has a zero carbon footprint over its lifecycle.

Carbon storage

Carbon that is not released into the atmosphere and is instead bound in wood or other biomass is said to be in a carbon store.

The amount of sequestered carbon that is not released into the atmosphere within a 100-year assessment period is seen as stored carbon.

Carbon store in wood products

Wood products store carbon and the longer they are in use, the longer the carbon they have stored is kept out of the atmosphere. 1 kg of wood corresponds to 1.83 kg of CO_2e*.

For example, Scanpole's pine poles have a density of 480/kg/m3 (NTR). 1 m^3 of pine poles and blocks contains 878 kg CO_2 of biogenic carbon.

If the products remain in use or are stored for 100 years, this corresponds to 878 kg of CO_2 storage. Correspondingly, if the product is used or stored for 50 years, half of its carbon content can be considered as permanently stored.

**) Source: VTT-CR-04958-17/ Report to the Ministry of the Environment, Finland*

Iivari Mononen Group

IIVARI MONONEN GROUP	Unit	Target 2027	2022	2023	2024
Turnover	EUR million		84.1	82.9	105.3
Personnel					
Employees	Number		211	199	192
Share of women of the total number of employees	%	15	10	11	12
Share of sick leaves of the total number of work hours	%	4	4.5	4.5	4.2
Work accidents	Number	0	5	2	13
Waste and energy					
Hazardous waste	kg/m^3	3	1.6	3.7	4.4
Non-hazardous waste	kg/m^3	2	1.5	1.6	1.5
Energy intensity (fuels, electricity, district heating, biomass)	Mwh/m^3		0.217	0.242	0.267
Total energy consumption	MWh		40,151	41,539	51,479
Renewable and zero-emission energy used	MWh		29,508	33,343	40,802
Fossil energy used	MWh		10,642	8,196	10,677
Fossil energy used in relation to turnover	l/EUR million	8,185 *	10,724	8,640	8,618
Water consumption	m^3/m^3	0.1	0.1	0.1	0.15
Water consumption	m^3		21,873	20,094	29,159
CLIMATE IMPACTS					
Scope 1: Emissions from fuels of our own operations	tCO2e		2,291	2,001	2,464
Scope 2: Emissions from purchased energy	tCO2e		344	211	278
Scope 3: Purchased materials used in production	tCO2e		11,882	11,402	15,444
Scope 3: Emissions from transporting purchased materials	tCO2e		5,358	7,167	7,907
Scope 3: Emissions from waste	tCO2e		808	935	1,287
Scope 3: Emissions from business travelling	tCO2e		176	124	227
Scope 3: Emissions from home–workplace travelling	tCO2e		100	87	139
Scope 3: Waste related to soil remediation investments	tCO2e		17,584	0	2,769
Total fossil emissions	tCO2e		20,959	21,925	27,746
Amount of biogenic carbon stored in end products	tCO2e		131,975	123,752	142,889
Amount of fossil carbon stored in end products	tCO2e		26,901	24,799	36,926

**) Target for 2025*

Scanpole

Scanpole's figures include sustainability and climate calculations for Scanpole Oy and its subsidiaries Scanpole Ab, Scanpole AS, Scanpole Ltd and Scanpole Ireland Ltd.

SCANPOLE	Unit	Target 2027	2022	2023	2024
Turnover	EUR million		56.0	58.8	87.4
Personnel					
Employees	Number		122	123	176
Share of women of the total number of employees	%	15	10	11	12
Share of sick leaves of the total number of work hours	%	4	4.5	6.5	5.4
Work accidents	Number	0	3	2	12
Waste and energy					
Hazardous waste	kg/m^3	3	2.2	5.4	5.9
Non-hazardous waste	kg/m^3	1.5	1.6	1.8	1.5
Energy intensity (fuels, electricity, district heating, biomass)	Mwh/m^3	0.3	0.28	0.34	0.34
Total energy consumption	MWh		36,411	39,527	49,272
Renewable and zero-emission energy used	MWh		27,844	31,745	39,193
Fossil energy used	MWh		8,567	7,782	10,079
Water consumption	m^3/m^3	0.13	0.10	0.09	0.13
Water consumption	m^3		12,807	10,822	18,053
CLIMATE IMPACTS					
Scope 1: Emissions from fuels of our own operations	tCO2e		1,860	1,896	2,321
Scope 2: Emissions from purchased energy	tCO2e		248	197	264
Scope 3: Purchased materials used in production	tCO2e		9,495	8,973	13,316
Scope 3: Emissions from transporting purchased materials	tCO2e		4,934	6,783	7,490
Scope 3: Emissions from waste	tCO2e		648	827	1,168
Scope 3: Emissions from business travelling	tCO2e		62	52	128
Scope 3: Emissions from home–workplace travelling	tCO2e		57	66	115
Scope 3: Waste related to soil remediation investments	tCO2e		17584	0	2,769
Total fossil emissions	tCO2e		17,304	18,793	24,802
Amount of biogenic carbon stored in end products	tCO2e		92,138	82,663	103,572
Amount of fossil carbon stored in end products	tCO2e		26,901	24,799	36,926

PrimaTimber

PRIMATIMBER	Unit	Target 2027	2022	2023	2024
Turnover	EUR million		21.4	17.6	17.9
Personnel					
Employees	Number		21	18	16
Share of women of the total number of employees	%	15	10	6	0
Share of sick leaves of the total number of work hours	%	4	6.2	3.1	3.4
Work accidents	Number	0	1	0	1
Waste and energy					
Hazardous waste	kg/m^3	0.1	0.2	0.1	0.1
Non-hazardous waste	kg/m^3	1.5	1.48	1.3	1.4
Energy intensity (fuels, electricity, district heating, biomass)	Mwh/m^3	0.035	0.036	0.036	0.044
Total energy consumption	MWh		2,030	1,945	2,139
Renewable and zero-emission energy used	MWh		1,516	1,531	1,541
Fossil energy used	MWh		515	414	598
Water consumption	m^3/m^3	0.2	0.15	0.16	0.18
Water consumption	m^3		8,679	8,885	11,106
CLIMATE IMPACTS					
Scope 1: Emissions from fuels of our own operations	tCO2e		119	105	143
Scope 2: Emissions from purchased energy	tCO2e		35	11	11
Scope 3: Purchased materials used in production	tCO2e		2,405	2,463	2,304
Scope 3: Emissions from transporting purchased materials	tCO2e		416	384	416
Scope 3: Emissions from waste	tCO2e		126	107	118
Scope 3: Emissions from business travelling	tCO2e		19	16	21
Scope 3: Emissions from home–workplace travelling	tCO2e		9	14	15
Total fossil emissions	tCO2e		3,129	3,100	3,029
Amount of biogenic carbon stored in end products	tCO2e		39,837	41,089	39,317
Amount of fossil carbon stored in end products	tCO2e		0	0	0

PEFC
PEFC/02-31-152

IIVARI MONONEN

Iivari Mononen Oy
Länsikatu 15
80110 Joensuu
+358 20 733 0500
www.iivarimononen.fi
/iivarimononen
/company/iivari-mononen-oy

Scanpole Oy

Sales and management
Länsikatu 15
80110 Joensuu
+358 20 733 0500

Impregnation plant
Höljäkäntie 69
75990 Höljäkkä
+358 20 733 0510

Scanpole Ltd
Burt Boulton & Haywood Ltd
Alexandra Dock
Newport, South Wales
NP20 2WA
United Kingdom
+44 1633 235800

Scanpole AS

Linjevegen 47
2344 Ilseng
Norway
+47 400 01 037

Bruksveien 17
2260 Kirkenær
Norway
+47 629 46 100

Scanpole Ab
Askims Fornborgsväg 14
436 42 Askim
Sweden
+46 771 444 040

Scanpole Ireland Ltd

Oldmilltown, Kill
Co. Kildare
W91 FY96
Ireland
+353 45 877 165

/scanpole
/scanpolefencing
/company/scanpole
Youtube.com/@scanpolegroup

PrimaTimber Oy

Sales and management
Länsikatu 15
80110 Joensuu
+358 400 318 787

Impregnation plant
Kuhasalontie 31
80230 Joensuu
+358 50 341 9766

Planing mill
Susiraja 2
80230 Joensuu
+358 40 735 7038

/primatimber
/company/primatimber