

A professional logger is shown in a forest, wearing a full set of safety gear including a red helmet with a clear visor, large orange ear muffs, and a high-visibility orange jacket with black accents and reflective strips. He has a beard and is looking off to the side. The background consists of tall, thin trees in a forest setting.

Annual report
2025

 **Tornator**

Tornator's Annual report 2025

The annual report consists of the following sections: Tornator in the year 2025, Tornator's strategic direction, Sustainability, Governance and Financial statements. This report has been prepared with reference to the Global Reporting Initiative's GRI Universal Standards. The report includes the consolidated income statement and balance sheet, which comply with the International Financial Reporting Standards (IFRS) accounting standard.

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Tornator in the year 2025

A human-sized footprint – quality, nature and added value at the heart of everything we do

All human activity leaves a footprint. Tornator's aim is that this footprint is sustainable and creates added value – for people, the environment and society. Operating responsibly is the result of choices made in everyday life that take into account the vitality of both people and nature.

Tornator's success is based on the skills of our personnel and cooperation with our partners and stakeholders. It is also built on ensuring that expertise, well-being and safety are in place throughout the supply chain, where quality and responsibility are reflected at every stage.

When we take care of people, we also take care of nature. This is how we ensure that Tornator's footprint is truly human-sized.

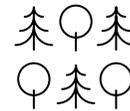
Tornator in brief



Tornator is a leading European company, which specialises in sustainable forestry and owns forests in Finland, Estonia and Romania. Our core activities are sustainable forestry, forestland purchasing and silvicultural and lease services. In addition to our key business areas, we lease land for various purposes, develop wind and solar power projects and sell high-quality waterfront plots and soil resources. Our business model is based on sustainable use of forests as well as strong environmental expertise and utilisation of digital technologies.

Tornator is a public limited company and its main shareholders are Finnish pension insurance companies and Stora Enso. We are a unique forestry company in Europe due to our extensive operations, ownership and business model. Tornator's mission is to generate sustainable well-being from the forest. The company's forests provide a versatile basis for various biomaterials, carbon sequestration and securing biodiversity.

Business areas



Timber sales

Our main business is the production and sale of timber. We manage our forests sustainably with the aim of good and steady yield, which enables us to provide customers with responsibly produced, certified wood. We manage the forests with full respect for nature, using the right treatments at the right time. This way, we can ensure that our forest assets remain diverse and in good condition.



Real estate

We lease land for various purposes, such as hunting, and actively engage in developing wind and solar power projects alongside our partners. Our forests are also widely used for free-of-charge recreation. We plan and sell waterfront plots and soil resources. We actively buy and lease forests for forestry purposes. We also sell selected plots of forestland that are unsuitable for our real estate structure.



Services

We provide high-quality silvicultural services to our customers. For our service agreement customers, we perform silvicultural work such as forest regeneration and tending of seedling stands. The keys to our success include extensive ownership of forestland as well as the procurement of resources and materials. Successful cooperation results in well-growing forests.

Forest assets

At the end of 2025, Tornator Group owned 819,000 hectares of forest. The value of the forest assets totalled EUR 3.80 billion.

Our forests are **100%** dual-certified*
Read more p. 29



* 10% of all forests in Finland are dual-certified. Tornator owns 3.24% of Finland's forests.

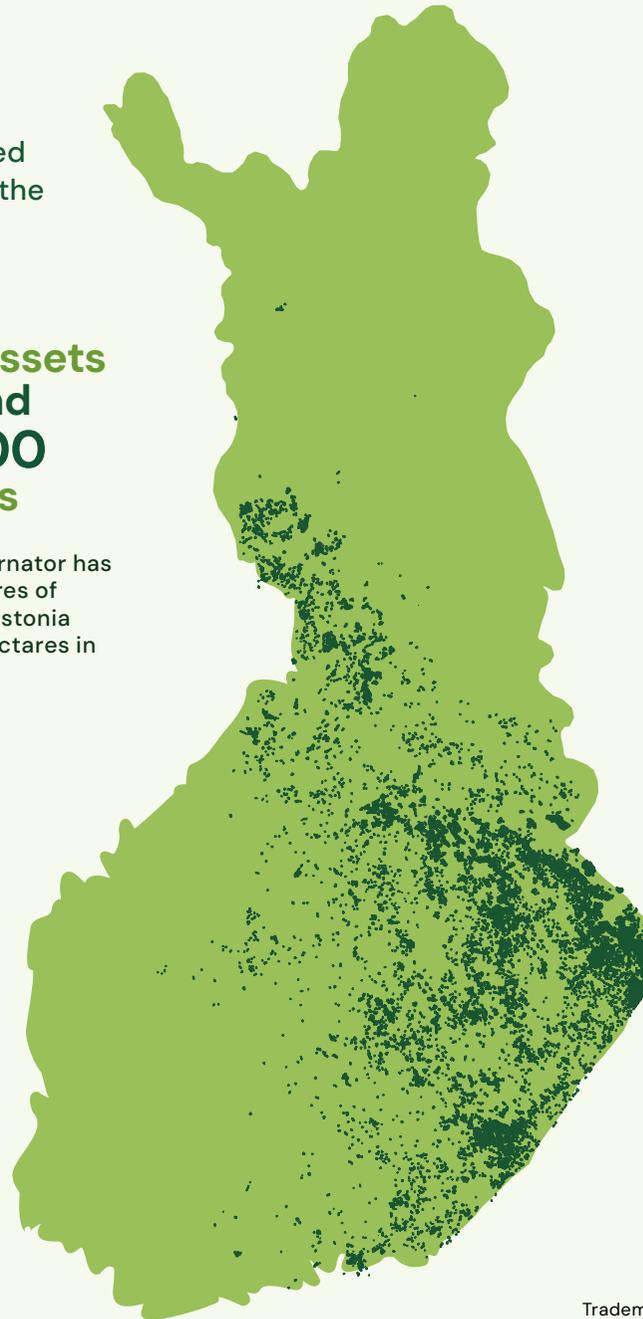
15% of our forests are mixed forest

We manage **60,000** silviculture sites per year

In 2025, we carried out silviculture work in the company's forests on **40,000** hectares

Forest assets in Finland **742,000** hectares

In addition, Tornator has 65,000 hectares of forestland in Estonia and 12,000 hectares in Romania.



Breakdown of forest assets in Finland



655,500 hectares of productive forestland



- Productive forest land 88.3%
- Poorly productive forest land and unproductive land 8.2%
- Other land area (agricultural land, roads, land plots, etc.) 2.6%
- Water bodies 0.9%

Breakdown of forestland by use category in Finland



13,800 hectares of our forests are conservation areas



- Area of wood production 88%
- Forest land where wood production is prohibited* 6%
- Forest land under restricted forestry use** 6%

* Nature reserves, forest and nature conservation law sites and FSC® and PEFC™ always save sites

** Limited logging and forest management allowed

Trademark licence codes: Finland FSC-C123368, Estonia FSC-C132610, Romania FSC-C132426

Year 2025 in figures

Key figures

Without effects of fair value changes unless stated otherwise

	2021	2022	2023	2024	2025
Net sales, € million	128.6	164.6	194.9	213.0	232.2
Operating profit, € million	90.0	130.2	141.8	154.1	168.4
Operating profit, % of net sales	70.0	79.1	72.8	72.4	72.5
Profit for the period, € million	61.1	94.8	96.7	103.2	114.4
Profit for the period, % of net sales	47.5	57.6	49.6	48.5	49.3
Average number of employees	189	188	189	188	191
Return on capital employed, %	5.0	5.5	5.0	5.2	5.3
Return on equity, %	5.6	5.9	4.7	4.7	5.0
Return on equity with effects of fair value changes, %	34.6	33.8	16.5	6.0	9.5
Equity ratio, %	52.6	60.4	60.1	59.8	58.4

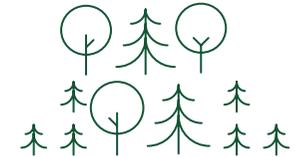


BALANCE SHEET VALUE

€4.0
billion

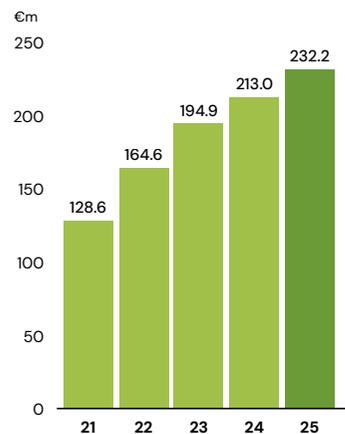
NET SALES

€232.2
million



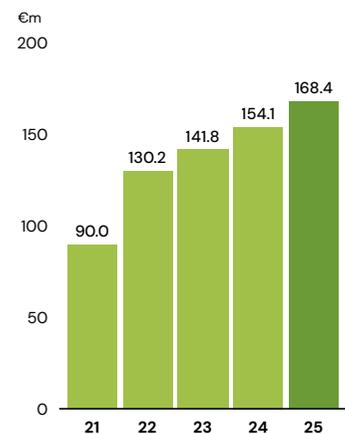
We planted
23,000,000
seedlings

NET SALES



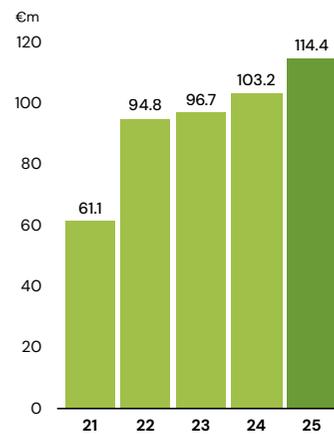
OPERATING PROFIT

Without effects of fair value changes



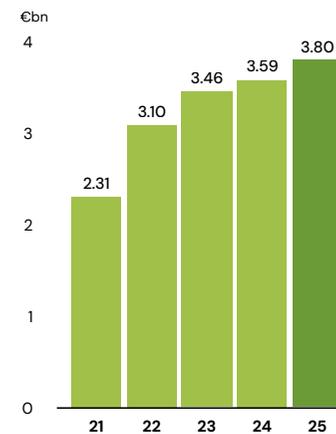
PROFIT FOR THE PERIOD

Without effects of fair value changes

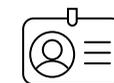


VALUATION OF FORESTS

(Fair value)



TORNATOR'S TOTAL
FORESTLAND
819,000 ha



TORNATOR EMPLOYEES
191
forestry professionals

Highlights of 2025



Tornator scored another top result: NEW TURNOVER RECORD
€232.2
 million

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Vision 2035 – the company set a new ambitious target of
1,000,000
 hectares of forest ownership

Read more p. 9



Tornator's forest area increased by
35,700
 hectares

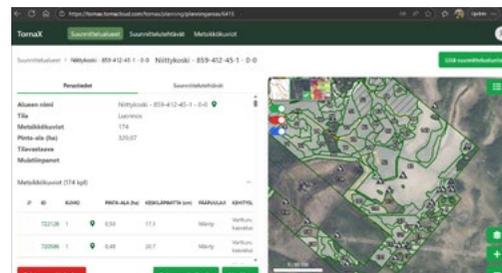
Read more p. 20



TORNATOR AUDITS ITS SITES

The company audited **150** sites to strengthen occupational safety, workers' rights and compliance with the Code of Conduct. The actions develop network sustainability and help manage supplier risks.

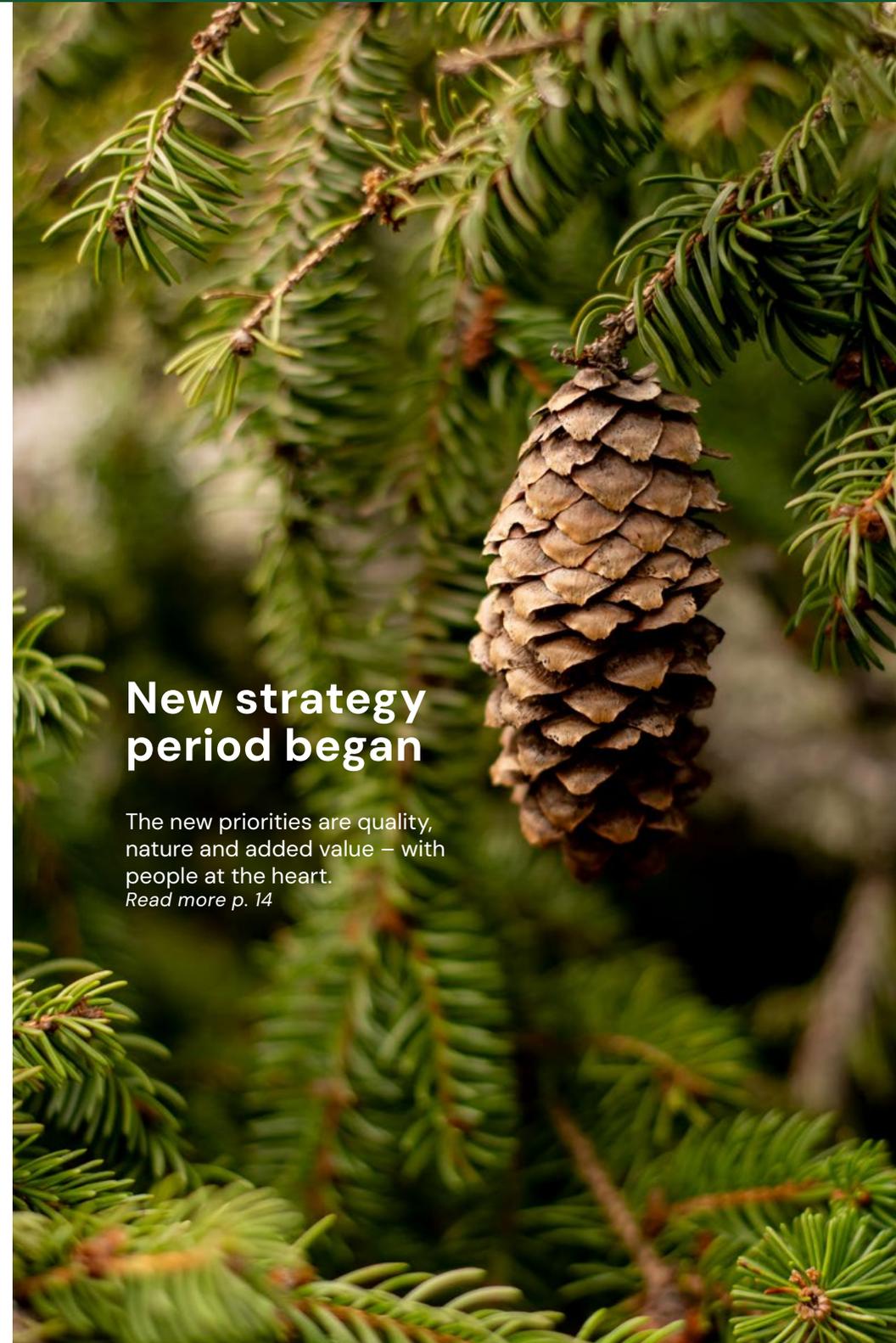
Read more p. 16



ARTIFICIAL INTELLIGENCE IN SILVICULTURE

Artificial intelligence is already in everyday use at Tornator. Satellite-based remote sensing and AI solutions are making business more efficient, freeing up experts to focus on what matters most.

Read more p. 17



New strategy period began

The new priorities are quality, nature and added value – with people at the heart.

Read more p. 14



People are the most important asset for the implementation of the strategy.”

CEO'S REVIEW

Towards one million hectares

From Tornator's point of view, 2025 was another financially strong year. An increase of 9 per cent in turnover to EUR 232 million and a record-high operating profit of EUR 168 million reflect the expertise and commitment to common goals among our employees, contractor network and main customer Stora Enso. Long-term silviculture efforts, professional planning and steady timber deliveries laid the foundations for successful performance.

In 2025, the forestry sector was characterised by historically uncertain conditions, under which our company's strengths particularly stood out. Thanks to the strategy developed together with the personnel, trustworthy partnerships and proactive planning, we performed excellently despite the circumstances and continued our steady growth.

In terms of reform and growth, 2025 was a significant year for Tornator. We started a new strategy period, with the cornerstones of *quality, nature and added value* guiding everything we do. People are at the heart of the strategy and the key to its implementation. The strategy serves as a roadmap towards our new ambitious growth vision: *one million hectares*.

Growth in all business areas

Timber market prices continued to climb until halfway through the reporting year, and thanks to up-to-date forest resources data and customer cooperation based on the partnership strategy, timber deliveries were steady. The silviculture services business continued its strong growth: an increasing number of forest owners trusted Tornator's expertise, and silviculture services grew by more than 11 per cent.

There was also growth in forest assets. We invested nearly EUR 169 million in forest acquisitions and increased our forest area by more than 35,000 hectares. A historic forest deal with OP-Forest Owner Fund – some 10,500 hectares in Kainuu and North Karelia – late in the year strengthened our position as Finland's largest private forest owner.

In financing, we completed significant green loan financing transactions that will allow us to advance future growth projects and refinance the 2026 bond in a systematic and sustainable manner.



The vision is ambitious but realistic, and the programme got off to an outstanding start in 2025."

Development in contracting and processes

Quality is the cornerstone of our new strategy, and developing the contracting chain was one of our key priorities for 2025. We carried out 150 audits to ensure that the quality, safety and sustainability of our contracting meets our sustainability criteria. Thriving, vital and sustainable contractor companies are our strategic asset, and we want to support their development in the long term. A strong partner network facilitates sustainable growth well into the future.

We also launched a programme to develop the quality of processes in cooperation with Aalto Executive Education, aiming to strengthen Tornator's own management, operating models and systematic quality management.

Sustainability on a new scale

The year 2025 was also significant from the point of view of biodiversity and environmental responsibility. Together with WWF Finland, we launched a three-year water protection project aimed at developing a catchment area-level approach that is unique in Finland. We also moved from group certification to company-specific PEFC certification, which gives us better opportunities to develop sustainability from our own starting points.

Digitalisation and artificial intelligence played a key role in both value-added and environmental responsibility measures. We used remote sensing to estimate outturns and to identify needs for the tending of seedling stands, among other things. Artificial intelligence and new digital tools do not replace humans; instead, they free up experts' time for field work, which is particularly essential from the point of view of nature values.

Our new strategy puts people at the heart of everything we do. People are the most important asset for the implementation of the strategy. Only a thriving, committed and motivated work community can make the everyday choices that make ambitious and responsible forestry a reality. The skills and contributions of everyone are directly reflected in the quality, customer experience and impact of our work. Therefore, we invest in giving people the best resources to succeed.

Towards Vision 2035

Our new long-term vision looks ahead to 2035. Its key objectives are:

- Increasing the forest area to one million hectares
- Increasing turnover to over EUR 400 million
- Ensuring strong profitability and investment capacity and maintaining an investment grade credit rating
- Growth in renewable energy projects: more than 100 wind turbines, 1,000 hectares of solar power plants, several data centres and battery storage facilities
- Achieving the objectives of the Biodiversity Programme and preparing a new programme
- Integrating digitalisation and AI into all core processes
- A thriving organisation and vital contractor network

The vision is ambitious but realistic, and the programme got off to an outstanding start in 2025.

I would like to express my warmest thanks to our personnel, contractors, customers and partners. Your professionalism and commitment made our strong performance and taking solid steps towards the future possible. Together, we will continue our determined journey towards one million hectares of forest.

Henrik Nieminen,
CEO

BUSINESS ENVIRONMENT

Growth in challenging conditions

Despite the challenging operating environment, Tornator experienced a financial tailwind in 2025.

The economic outlook for the forestry sector is bleak, and global tensions and geopolitical risks make long-term planning difficult, adding uncertainty to financial solutions and investments. Changes in US customs policy underline the need for business flexibility and the ability to react quickly. In Finland, wood prices were volatile throughout the year, and the consequences of Russia's war of aggression and changes in wood flows in the Baltic Sea region have continued to shape the dynamics of the wood market.

Demand affected by market uncertainty

In 2025, the operating environment of the forestry sector was two-fold. The wood market performed excellently in the first quarters, but in the summer and autumn, purchasing appetite weakened as economic confidence remained low. The continued downturn in construction and general uncertainty were reflected in the forest industry's customer base, which slowed down wood demand. Wood prices fell clearly from their summer peak, but a generally stable price trend is forecast for 2026, with pulpwood prices falling by a few percentage points and sawlog prices remaining at the late 2025 level. Tornator continued its growth strategy and was very successful in acquiring new forests. The company's forest area in Finland increased by 35,700 hectares. In the forestland market, prices were still rising in the beginning of the year, and transactions were brisk with both supply and demand at a good level.

Developing contracting chains is essential

Sustainable business extends to a broader consideration of the impacts of operations, and the forestry sector has had to respond to high expectations from society, which are reflected both in public discussion and the requirements of stakeholders. Increasing transparency is expected in terms of both environmental impact and social responsibility. In particular, contracting chain management has become a key issue in the forestry sector. Tornator aims to develop contractor resources and supply chain quality increasingly systematically. In order to promote sustainability, the company has, among other things, recruited a Contracting Manager and carried out proactive audits at Tornator's sites in summer 2025.

Interest in renewable energy projects

Tornator has promoted its sustainability work in the fight against climate change and in biodiversity monitoring in line with its climate and biodiversity programmes, and has improved the transparency of its policies in cooperation with stakeholders.

In 2025, there was growing interest in Finland for renewable energy projects, data centres and battery storage. Tornator's position as a major landowner makes the company an attractive partner for these parties, and preliminary agreements for projects were signed again this year. Finland is seen as a safe and attractive investment destination thanks to political stability, functioning infrastructure and cheap energy. Digitalisation is becoming increasingly central to the



company's operations, enabling more accurate and efficient management of forests and protection of valuable natural sites.

A new strategy for the future

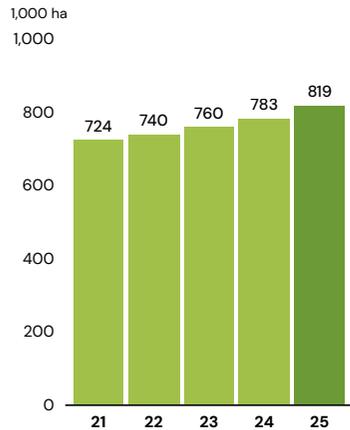
Despite the challenging operating environment, Tornator's new strategy period started as expected, with no major changes in operations. People are at the heart of the strategy, and this is reflected in investments in leadership, skills and partnerships – all factors that strengthen Tornator's ability to systematically move forward and respond to changes in the operating

environment. At the end of 2025, the outlook for the future remains positive: wood raw materials will continue to play a strong role in the green transition, and renewable resources will lay the foundation for Tornator's growth. The strategy reinforces faith in megatrends – population growth, urbanisation and digitalisation – underpinning the company's long-term success.

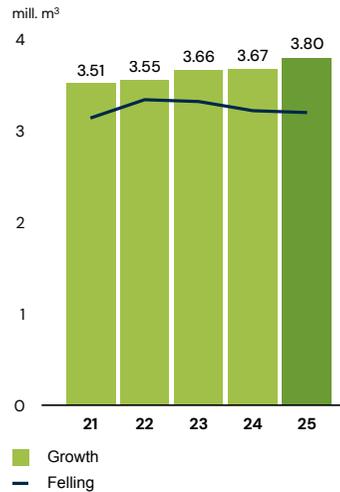


Tornator's new strategy period started as expected, with no major changes in operations."

DEVELOPMENT OF TORNATOR'S FORESTLANDS



GROWTH AND FELLING IN TORNATOR GROUP'S FORESTS



LOG AND PULPWOOD STUMPAGE PRICES IN FINLAND



Source: Metry

Global megatrends affecting Tornator

Key impacts from Tornator's perspective

Our response

Climate change and biodiversity loss

- Forests are becoming increasingly important carbon sinks and carbon storages. A sustainable carbon cycle plays a key role.
- There will be an increasing focus on safeguarding biodiversity as part of forest use.
- Extreme weather events and the risk of forest damage will increase.
- The intensifying carbon debate will steer consumer attitudes and political decision-making. Regulation will increase.

- We make sustainable use of additional forest growth in diverse ways.
- We implement and monitor measures to support biodiversity in our forests in line with the Biodiversity Programme.
- We maintain the forests' good condition through effective silviculture, ensuring their health, vitality and resilience against damage.
- We communicate openly and actively about our operations and actions for climate and biodiversity.
- We help to influence regulation by offering support through our expertise.

Population growth, urbanisation and geopolitics

- Material needs and consumer demand are increasing, and the use of fossil-based raw materials must be reduced.
- The bioeconomy and circular economy will become even more important, and the demand for renewable raw materials will increase.
- With urbanisation, forest owners and the values and objectives that guide silviculture and forest use are becoming more diverse.
- Finding skilled labour in sparsely populated areas will become more difficult.
- The need for recreational use and other forest-related services is increasing.
- Global social unrest is increasing and social polarisation is growing at national and global level.
- Public debate and society are becoming increasingly polarised.

- We increase our forest assets, optimise timber production and diversify our operations.
- We provide the market with bio-based raw materials to replace fossil-based ones.
- We communicate about sustainable forestry and offer our professional forest ownership as an alternative.
- We offer attractive jobs in sparsely populated areas as well.
- We develop the multiple use of our forests and offer them for recreation.

Digitalisation, artificial intelligence and the data economy

- Significance of digital systems for forest and multisource data will increase. The use of artificial intelligence, robotics and automation will expand.
- Volumes of forest-related information will grow, and its quality and accuracy will improve.
- Information security risks and significance of data protection will increase.
- Digital revolution will change operating and working practices.

- We actively develop multisource forest data collection and refinement. We modernise our IT infrastructure using cloud services.
- To generate added value for our business and stakeholders, we are constantly exploring and developing new opportunities for using data in collaboration with our partner network. This also ensures the sustainability of our silviculture measures.
- We use advanced security technology and provide instructions and training for information system users.
- We are agile in adopting new ways of working and we ensure future skills by training and developing our personnel.



Tornator's future direction



Tornator's strategy is built around three priorities: quality, nature and added value. The strategy sets out Tornator's direction for 2025–2027, focusing on growth, profitability and promoting sustainable development. The work is based on Tornator's vision 2035, mission – we generate sustainable well-being from forests – and values. In its operations, Tornator is committed to adhering to the Code of Conduct, respecting human rights and promoting the UN Sustainable Development Goals.

VISION 2035
1,000,000
hectares

VISION 2035 combines sustainable silviculture enhanced by state-of-the-art technology, economic growth and renewable energy. Our strong strategy ensures long-term success and value generation for all of our stakeholders.

Read more
www.tornator.fi/en/tornators-vision-2035

QUALITY

Quality is a prerequisite for success

KEY ACHIEVEMENTS 2025

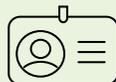


Contracting Manager's work started as part of developing the sustainability of contracting chains

150
proactive audits at sites



Personnel quality training in cooperation with Aalto Executive education



Tornator's success is built on skilled personnel, a high-quality contracting chain and strong partnerships. The long-term goal is continuous improvement of operations. Tornator will not settle with the current level of quality, but actively seeks to identify and address areas for improvement. Achieving Vision 2035 requires systematic quality improvement throughout the organisation.

Skilled personnel

In 2025, Tornator continued to invest in developing competence and personnel well-being to ensure that employees can succeed and develop in their roles as their goals grow.

The company actively develops supervisory work and management practices. Supervisor training helps to reinforce a common approach and consistency across the organisation. The Steps of Leadership training model introduced at the beginning of the year is guiding



Improving the quality of the contracting chain is a strategic priority for Tornator."

Tornator towards a clear and goal-oriented leadership culture that builds on listening, participation and a long-term approach. The quality of core processes was developed through a training programme tailored with Aalto Executive Education, which will continue until spring 2026.

High-quality contracting chain and strong partnerships

Tornator has identified the need to strengthen the quality of its contracting chain as part of its strategy. Launched in 2025, the development project aims to improve the quality and sustainability of contractor work throughout the supply chain.

Contractor turnover and foreign workers require clear policies and quality assurance at all levels. Control has been strengthened through audits, and any shortcomings identified are systematically addressed. The new Contracting Manager will support this work by bringing more expertise, transparency and consistency to the process.

Quality is also reflected in partnerships. Tornator works closely with its main customer Stora Enso, and common goals guide the operations towards an even better customer experience. The scale of the contractor network and the wide geographical spread of the contracted sites, combined with Tornator's ambitious growth targets, require a more systematic approach and

quality management throughout the value chain. The development work will support Tornator's goal of building an efficient, accountable and integrated supply chain that meets the long-term needs of both customers and the company.

Digital solutions as part of quality

As digitalisation progresses and artificial intelligence applications, for example, grow, Tornator is actively developing its digital operating models. The company has strong in-house expertise in the design and implementation of digital solutions, which allows it to keep the development work in its own hands and in line with Tornator's objectives. In addition to in-house expertise, partnerships in the delivery of technology solutions remain central. Ensuring quality in digital solutions – such as data management, system development and the application of artificial intelligence – is an integral part of Tornator's comprehensive development work.



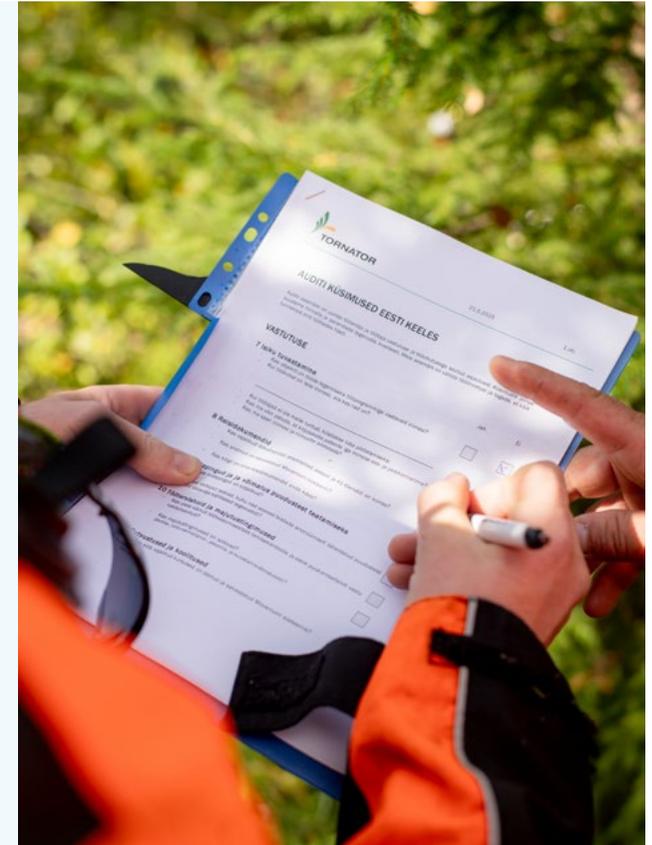
As digitalisation progresses, Tornator is actively developing its digital operating models."

Audits strengthen sustainability and support growth

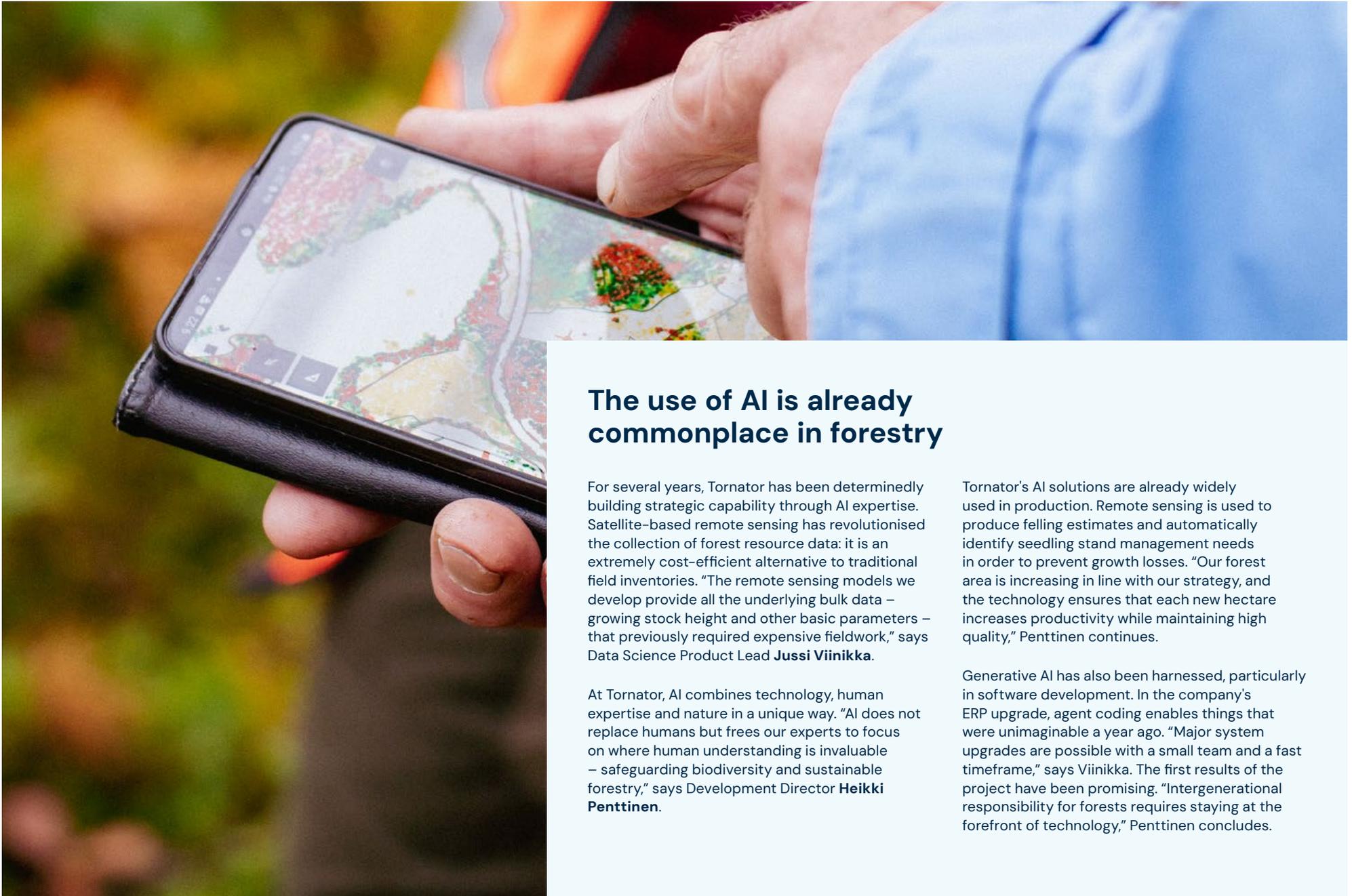
Most of Tornator's silviculture sites are managed by contractors. "Contractors are an essential asset for us, and we want to be their preferred customer," says Contracting Manager **Niklas Tavasti**. The company's growth objectives require that the partner network is ready to develop together with Tornator.

In summer 2025, Tornator carried out an audit tour of its sites, reviewing matters such as compliance with employer obligations, occupational safety and the use of foreign labour. "We carried out 150 site audits and the overall picture was good. No serious shortcomings were found, but individual areas for improvement were identified," says Tavasti. The most significant needs were related to site signs, first aid kits and the availability of spare saws, as well as completing documentation. Most of the observations were already rectified during the audit.

The audits confirm Tornator's ability to manage supplier risks and ensure that workers' rights are respected. "We are aware that serious allegations of exploitation of foreign forest workers have emerged in the forestry sector. We take any suspicions very seriously and are working hard to ensure responsible contractors," says Tavasti. Subcontracting chains are kept manageable, contractors' backgrounds are checked before signing contracts and contractors undertake to comply with Finnish legislation and Tornator's Code of Conduct.



Feedback from contractors has been positive: supervision is seen as valuable and common rules clarify operations. "The more transparent you are, the less room there is for misconduct. It's important to keep sustainability issues in the spotlight – after all, it's only an advantage for those that have everything in order," says Tornator contractor **Mikael Holsti** from Holsti Forest, which had several of its sites audited last summer.



The use of AI is already commonplace in forestry

For several years, Tornator has been determinedly building strategic capability through AI expertise. Satellite-based remote sensing has revolutionised the collection of forest resource data: it is an extremely cost-efficient alternative to traditional field inventories. "The remote sensing models we develop provide all the underlying bulk data – growing stock height and other basic parameters – that previously required expensive fieldwork," says Data Science Product Lead **Jussi Viinikka**.

At Tornator, AI combines technology, human expertise and nature in a unique way. "AI does not replace humans but frees our experts to focus on where human understanding is invaluable – safeguarding biodiversity and sustainable forestry," says Development Director **Heikki Penttinen**.

Tornator's AI solutions are already widely used in production. Remote sensing is used to produce felling estimates and automatically identify seedling stand management needs in order to prevent growth losses. "Our forest area is increasing in line with our strategy, and the technology ensures that each new hectare increases productivity while maintaining high quality," Penttinen continues.

Generative AI has also been harnessed, particularly in software development. In the company's ERP upgrade, agent coding enables things that were unimaginable a year ago. "Major system upgrades are possible with a small team and a fast timeframe," says Viinikka. The first results of the project have been promising. "Intergenerational responsibility for forests requires staying at the forefront of technology," Penttinen concludes.

NATURE

Nature as the lifeblood of business

Nature is the second cornerstone of the strategy. Tornator manages extensive forest assets, and ecological responsibility is reflected in practical actions to safeguard forest biodiversity and climate benefits. Tornator's climate and biodiversity programmes provide a framework for these measures and guide long-term work for nature. The company also ensures the sustainable use of forest resources by using digital tools, geographic information systems and up-to-date data. The digitisation of forest resources supports decision-making to promote biodiversity, carbon sequestration and the condition of water bodies more effectively.

The company continuously trains its personnel in order to develop their skills and practices and to make the most of their contribution to the well-being of nature.

Long-term action for nature

The ecological sustainability of forests over generations is an important goal guiding Tornator's activities. Tornator has restored more than 2,200 hectares of peatland over the past five years, and has also produced a number of successful projects for running waters in partnership with WWF and Stora Enso. In 2025, Tornator and WWF launched a three-year water conservation partnership to minimise the adverse impacts of silviculture on water bodies at the level of entire

catchment areas, rather than individual measures. During the cooperation, a working model will be developed to facilitate the consideration of water bodies in forest use planning.

Forest owner-specific PEFC certification

In 2025, Tornator moved to its own forest owner-specific PEFC certification, replacing the previous regional group certificates. The change aligned with the company's strategic priorities of quality, nature and added value. Having its own certification strengthens Tornator's ability to improve the quality of its operations and contracting directly with the auditor. Tornator has the expert resources needed to manage the certificate itself, and the company's expanded forest assets make it appropriate to manage the certificate in-house. Tornator's forests in Finland also have their own FSC certification, so the change will harmonise the management of certifications.

KEY ACHIEVEMENTS 2025



Forest owner-specific PEFC certification

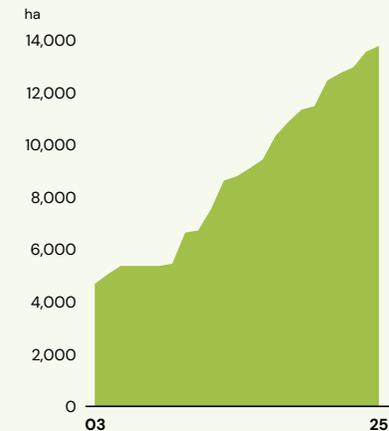


Tornator protected **226** hectares of valuable natural sites

Three-year water protection partnership with WWF



PROTECTION UNDER THE NATURE CONSERVATION ACT BY TORNATOR



Materiality analysis guides sustainability work

Tornator's sustainability strategy is based on a double materiality analysis carried out in accordance with the EU Corporate Sustainability Reporting Directive. The analysis identifies the sustainability themes that have the greatest impact on the environment, people and society, and on the business risks and opportunities. Stakeholder views and management's strategic assessment form the basis for integrating sustainability work into the company's long-term objectives. Biodiversity, climate change, water bodies and local land use opportunities are key priorities that guide Tornator's strategic choices and ensure the long-term sustainability of its operations.



The ecological sustainability of forests over generations is an important goal guiding Tornator's activities."



Tornator migrated to its own PEFC certificate

In autumn 2025, Tornator received its own forest owner-specific PEFC certificate for its forests. The certificate replaced the old regional group certificates in which Tornator had been participating since 2002. The change will not affect silviculture measures, as Tornator's forests have been PEFC-compliant for more than 20 years.

Tornator's land holdings in Finland have increased to nearly 742,000 hectares. "Regional group certification has served us well for more than 20 years. Now, the company has grown to a size that makes forest owner-specific certification the most reasonable way for us to organise PEFC forest certification. Tornator also has the necessary expert resources to manage its own PEFC certification," says **Ari Karhapää**, Director, Forestry. Tornator's forests in Finland also have their own FSC certificate, so the change will harmonise the management of certification.

The migration to its own PEFC certification is in line with the company's new strategy, which focuses on quality, nature and added value. "We can best improve our operations and the quality of contracting by working directly with the auditor. Having our own certificate will increase the annual number of internal and external audits related to PEFC certification," says Environmental Manager **Heikki Myöhänen**.

The change only applies to Tornator's own forest estates and the leased estates it manages. Silviculture services for other landowners will remain PEFC-compliant. PEFC (Programme for the Endorsement of Forest Certification) is an international system that ensures that forests are managed in an environmentally friendly, socially responsible and economically sustainable way.

ADDED VALUE

More efficiency and profitability

The third focus of Tornator's strategy, added value, refers to the ability to deliver more value using the same resources. In 2025, Tornator achieved record performance in its core businesses timber sales and silviculture services, and developed digital solutions that improve efficiency and quality. The renewable energy market continues to show potential in the long term, despite market volatility.

New forest resources, new technology

In 2025, Tornator continued its profitable growth and increased its forest assets to 819,000 hectares, strengthening its position in the market. The timber sales and silviculture services business developed in line with expectations, and the company reported new records in turnover and profit. Added value was also created in the financial markets: Tornator secured growth and improved liquidity with significant debt agreements, strengthening the company's position as a stable and reliable partner.

Forest resource management is based on increasingly accurate data, remote sensing and location data, that are combined into practical tools for the people driving the processes. Long-term added value is also supported by upgrading the technology foundation: Tornator started to upgrade its ERP system and is investing in proprietary software development, which will enable more efficient and higher quality operations in the future. The company's ambitious growth target

of one million hectares of forest assets requires increased efficiency in all areas. In practice, this means that Tornator will increase personnel productivity by improving working methods and using technology, especially AI applications, to combine expertise and smart digital solutions.

Renewable energy projects

Tornator promoted wind and solar power projects by signing 20 agreements with industry parties. However, the market and regulatory environment has made it challenging to progress the projects, with fluctuations in electricity prices and the capital intensity of the investments slowing down the implementation of the projects. As a major landowner, Tornator sees the growing need for clean energy as an opportunity in the long term, and Finland will continue to be an attractive market due to its construction potential, despite the unnecessary recent headwinds in political decision-making.

KEY ACHIEVEMENTS 2025

NEW RECORDS IN TURNOVER AND PROFIT

Net sales
€232.2
million

Operating profit
€168.4
million



35,700
hectares
of additional
forest assets

The company started the deployment of a new ERP system.



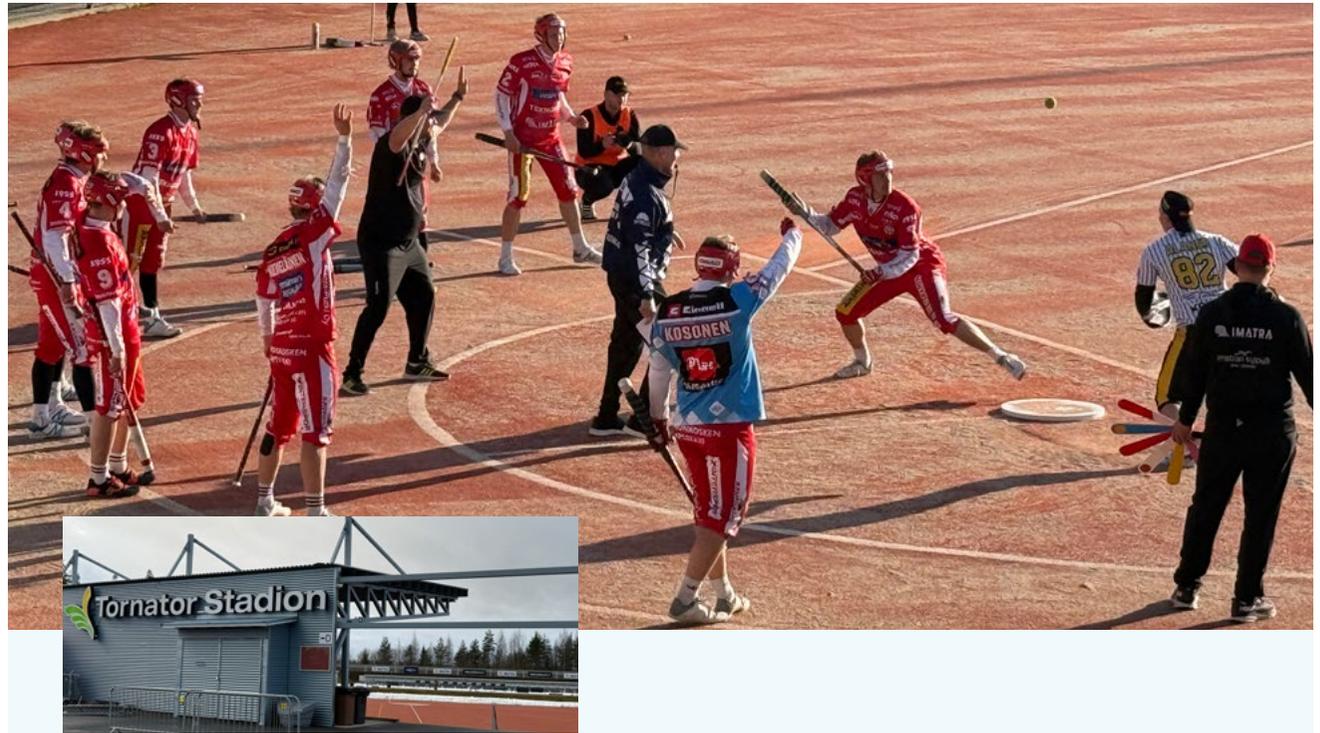
The company's ambitious growth target of one million hectares of forest assets requires increased efficiency in all areas."

Tornator involved in clean transition projects

Tornator is constantly seeking new ways to use its land assets and support the clean transition. Tornator's renewable energy team is in active dialogue with its partners about new opportunities for data centre and battery storage projects on the company's land. "Battery storage facilities support the balance of the electricity grid and the use of renewable energy, while data centre projects provide significant investment and employment at the local level, especially during the construction phase," says Specialist **Pasi Kiiskinen**. Currently, the company has signed several land lease agreements for battery storage projects and negotiated on the sale of land for data centre projects.

The projects support Tornator's strategy on several levels. They are profitable from a business point of view, while diversifying the company's business operations. They also signal a positive attitude towards the clean transition and regional development. "Through clean transition projects, we are sending a positive signal to local communities that there are opportunities in the area and Tornator wants to be an active part of making them happen," Kiiskinen says.

Even though the investment market is currently challenging, Tornator sees both battery storage and data centre projects as future trends. Several projects on the company's land areas are already pending construction permits. The company acts as a facilitator in the projects in cooperation with partners and municipalities. "The feedback from municipalities has been positive. Clean transition projects understandably give rise to debate for and against, but the message is clear: these are the solutions of the future," Kiiskinen sums up.



Finnish baseball stadium in Imatra renamed Tornator Stadion

Tornator and IPV Reds Oy agreed on a partnership in the spring of 2025, resulting in Imatra's Finnish baseball field being renamed Tornator Stadion. The name change reinforces Tornator's role as a supporter of local sports and the community. The Imatra region has suffered from a decline in Russian tourism, and Tornator wanted to demonstrate its commitment to the region's continued vitality. The partnership brought together two local parties that share the same values and objectives.

"Tornator wants to demonstrate that not all companies have shut up shop – we believe in Imatra and its future. We want to create hope, especially among young people,

that it is possible and worthwhile to take part in sports and business in Imatra," says CEO **Henrik Nieminen**.

The name Tornator has been known in Imatra since the early 1900s when the Tornator company operated in the paper and pulp industry and was a forest owner. In 2002, Stora Enso incorporated its Finnish forest assets, and the old valuable name was resurrected. In September 2025, IPV ensured that the Superpesis league will continue to be played in Imatra in the coming season by defeating Helsingin PunaMustat in the qualifiers, which means that Finnish baseball at the highest level will continue to be played at Tornator Stadion.

Value creation

Resources

Economic capital

Natural capital

Human capital

Business

Passion for the forest – sustainable solutions across generations

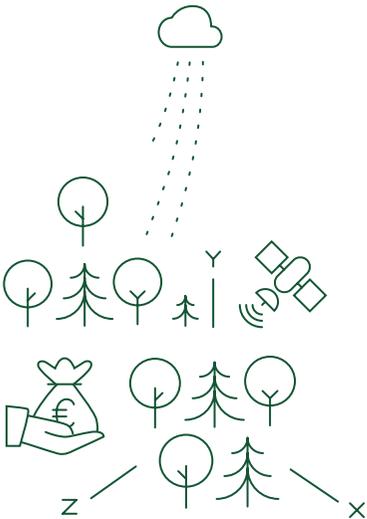
Timber sales



Real estate

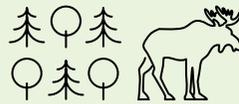


Silviculture services



Year 2025

Biodiversity



New conservation areas
226 ha

Restored marshland
461 ha

Nature management projects
32

Decaying wood volume
5.9 m³/ha

Climate change mitigation/adaptation



Carbon sink of growing stock
4.7 MtCO₂

Carbon storage
96.7 MtCO₂

Carbon footprint
0.3 MtCO₂

New wind turbines
16

Land use opportunities by locals



Hunting leases
1,671

Hiking trail agreements
217

Forest road network
17,000 km

Number of waterfront plots for sale
495

Working conditions of Tornator staff



Satisfaction with occupational well-being
3.7/5

Training days
6/person

Occupational accidents
18

Sickness absenteeism
2.65%

Employment and tax footprint



We recruited
10 people

Forests provide
1,600 person-years of employment

Corporation tax paid
26.4 €M



Sustainability at Tornator

SUSTAINABILITY MANAGEMENT

Principles guiding our responsibility work

Tornator is the largest private forest owner in Finland, and its strategy emphasises sustainable silviculture and active land ownership management over generations. Tornator is determined to be an expert in sustainable forestry, a developing and secure workplace for its employees and a productive promoter of well-being in its field.



Tornator is determined to be an expert in sustainable forestry, a developing and secure workplace for its employees and a productive promoter of well-being in its field."

Tornator is committed to promoting the UN Sustainable Development Goals (SDGs) and to respecting human rights in all of its activities. Tornator's operations are guided by the Code of Conduct, which includes the company's rules to ensure doing things the right way. The Code of Conduct applies to Tornator employees, managers and Board members. The company's contractors, service providers and contractual partners are also required to comply with the Code of Conduct.

Tornator complies with the UN Guiding Principles on Business and Human Rights (UNGP) and expects its partners and contractors to do the same. The company does not tolerate discrimination, intimidation, oppression or harassment in any form and has zero tolerance for the use of forced or child labour.

The Code of Conduct is complemented by Tornator's various operating policies and guidelines concerning governance, the environment, and data security and data protection. Tornator complies with all laws and regulations in its operations. In terms of the company's operations, essential acts are, among others, the ones concerning the status of employees, equality, privacy protection, forestry, financial management, occupational safety and environmental protection. External requirements of the PEFC and FSC certification systems also place requirements on Tornator.

At Group level, coordination and guidance of Tornator's corporate responsibility is the job of the CEO, assisted by the Management Group and the Corporate Responsibility Manager. The implementation of responsible and sustainable practices is the responsibility of the persons in charge of various functions. Implementation is assessed through internal control and both external and internal auditing.

The new three-year strategy period that started in 2025 will refine the company's business priorities while maintaining the principle of sustainable silviculture at its core. Tornator's vision extends beyond the strategy period – the company aims for significant growth over the next ten years, investing around EUR 1 billion in forests and forest economy. The company sees growth as a way to strengthen Tornator's role as a sustainable operator and create long-term value for its stakeholders.

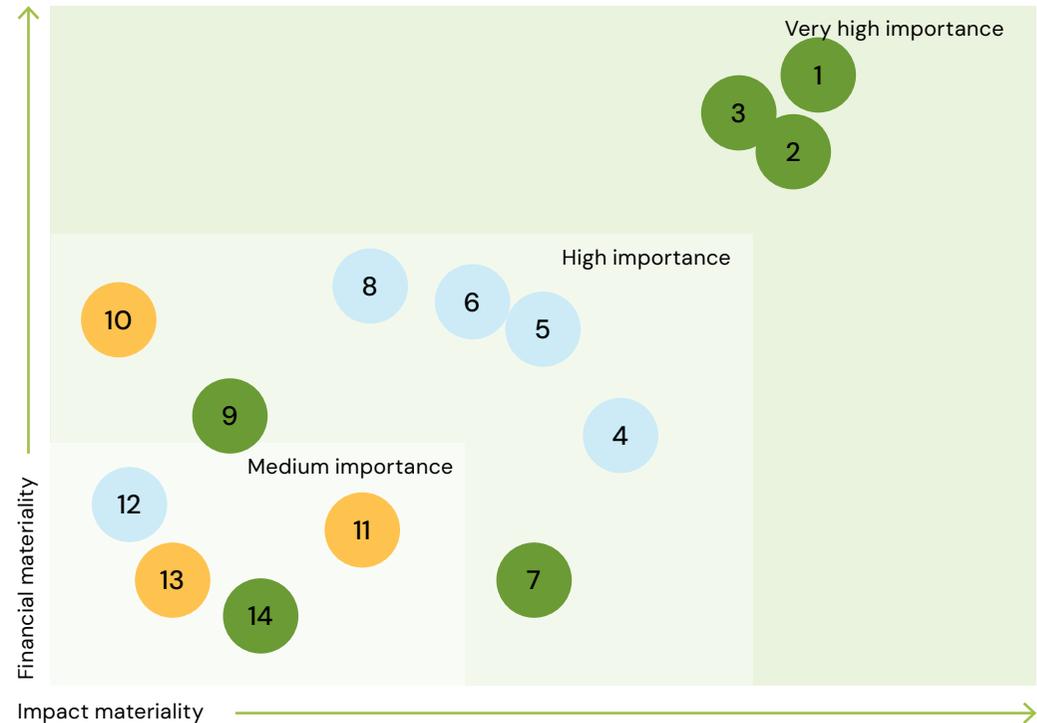
Tornator's key sustainability themes

Tornator's sustainability work is based on a double materiality analysis conducted in 2023, which assessed the impacts of Tornator's operations on people, the environment and society, as well as the risks and opportunities to Tornator's business arising from sustainability themes. The assessment was carried out in line with the principles of double materiality required by the EU Corporate Sustainability Reporting Directive. The views of stakeholders and the strategic assessment of management were emphasised in the outcome of the analysis. The output has been validated by Tornator's management.

According to the analysis, Tornator's key areas of responsibility were biodiversity, climate change, waterways and opportunities of local people for land use. As a company that utilises natural sources directly, Tornator has a major and immediate impact on biodiversity. Its operations also affect the mitigation of and adaptation to climate change. As a major landowner, Tornator has a considerable impact on people and their opportunities to use forests for recreation and landscape rights. "Employment and tax footprint" was added as a financially material topic, as it was identified as key to the business environment and policy influence.

The matrix illustrating the impact and economic materiality of sustainability topics was compiled on the basis of the results of the double materiality analysis. The results of the double materiality analysis will be reviewed in 2026 when the analysis is updated.

Materiality matrix



Materiality topic

- | | |
|--|--|
| 1. E4 Biodiversity | 8. S2 Working conditions of employees in value chains: health and safety, education and skills development |
| 2. E1 Climate change mitigation | 9. E1 Renewable energy |
| 3. E1 Climate change adaptation | 10. G1 Regulatory changes |
| 4. S3 Land use opportunities by locals | 11. G1 Business relations |
| 5. S1 Working conditions of Tornator staff: health and safety, work-life balance, sufficient pay, equality and equal pay | 12. S4 Accuracy of marketing and communication |
| 6. S2 Employment and S3 Tax footprint | 13. G1 Corporate culture / political influence |
| 7. E4 Cleanliness of waterways | 14. E4 Other ecosystem services |

Value chain

Upstream value chain

- ➔ Seedling production
- ➔ Procurement (e.g. seedlings, fertilisers, electricity and heat)
- ➔ Logistics and transport

Value chain workers, suppliers of goods and services, local communities

Key sustainability themes

- E1
- E2
- E3
- E4
- S2
- S3

Own operations

Tornator is Europe's leading specialist in sustainable forestry. Our operating model is based on responsible use of forests as well as strong environmental expertise and utilisation of digital technologies. Our forests are also extensively used for recreation.

Main business



Sustainable forestry

- Sale of felling rights
- Silviculture services business
- Growing and managing forests



Purchase, sale and rental of properties

- Forestland
- Waterfront plots
- Soil resources
- Wind and solar power project development
- Renting land for hunting and other similar uses

Resources



191 employees



819,000 ha forest assets



240 local contractor partners

Own personnel, owners, lenders, contractual and business partners, authorities

Key sustainability themes

- E1
- E2
- E3
- E4
- S1
- G1

Downstream value chain

- ➔ Timber harvesting and transport
- ➔ Further processing of wood and wood-based products
- ➔ Construction and production of wind and solar power plants
- ➔ Recycling and waste

Contractual and project partners, value chain workers, local communities, consumers and end-users

Key sustainability themes

- E1
- E2
- E3
- E4
- E5
- S2
- S3
- S4

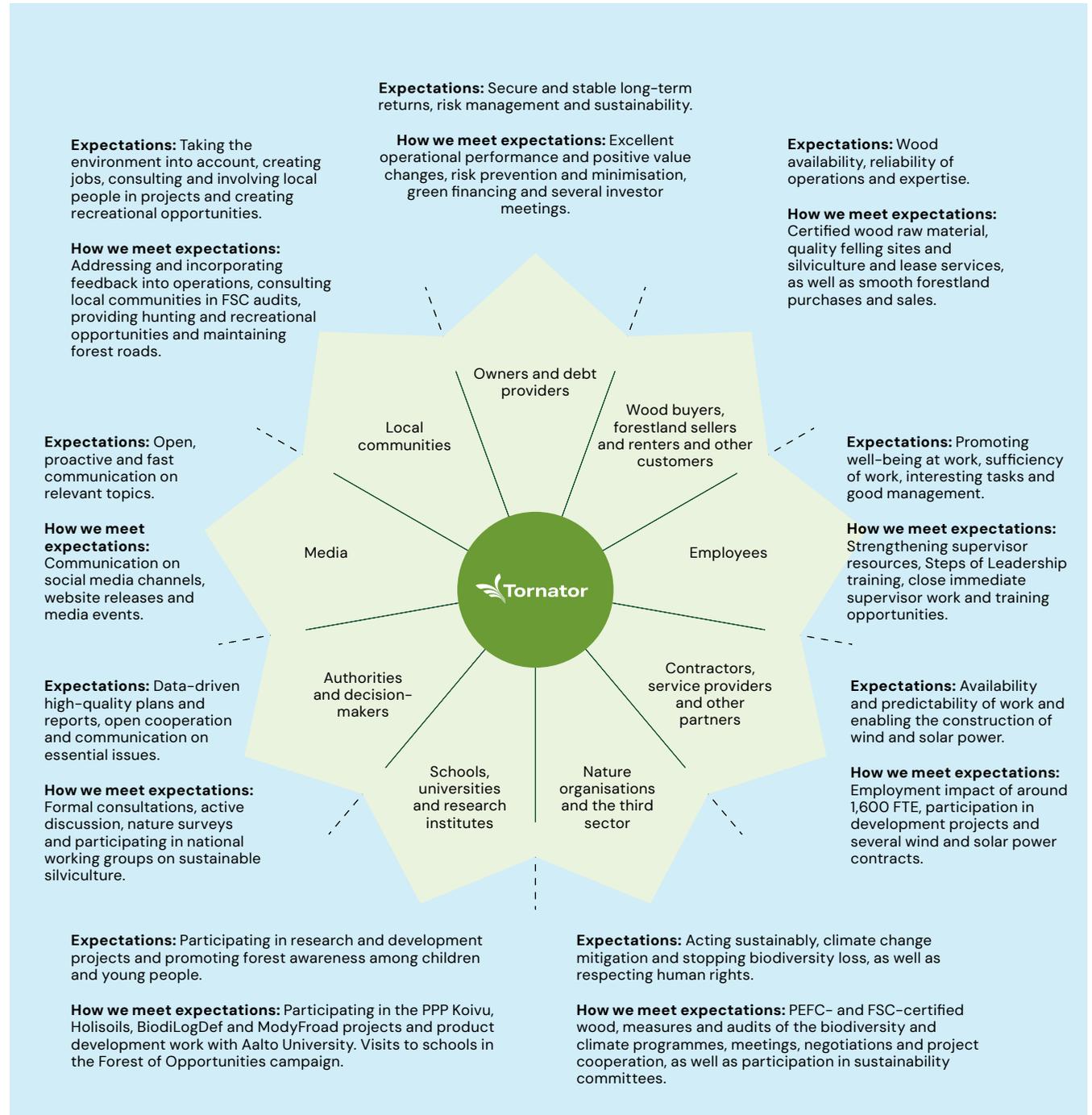
Sustainability targets and indicators

	Topic	Target	Indicator	Outcome 2025 (2024)
Sustainability management 	Openness and transparency of operations	Identify sustainability themes important to the company and stakeholders	Updating the materiality analysis (core/comprehensive) at three-year intervals in cooperation with stakeholders	The materiality analysis was updated in autumn 2023. See p. 25.
	Environment and climate 	Biodiversity	Increase biodiversity through new practices, conservation and restoration	Implementation of the Biodiversity Programme
Climate change mitigation and adaptation		Increase carbon sequestration by caring for the health and vigour of forests. Maintain carbon storages of forests with sustainable harvesting.	Implementation of the Climate Programme	See p. 32
People and society 	Working conditions of own staff	Satisfied employees, healthy and safe work environment	Result of the employee well-being survey	3,7/5 (3,6/5)
			Number of accidents at work	18 (15)
	Developing the skills of staff and contractors	Secure necessary expertise for the company	Number of training days per person	5.25 days (4.5)
	Financial responsibility and profitability	Steady dividends and increasing forest value for shareholders	Return on equity at fair value	9.5% (6.0)
			Increasing dividend	Dividends paid
Local economic, employment and environmental impacts	High net value retained	Net value retained	€44.4 mill. (33.2)	
Good governance 	Business relations	Monitor suppliers' sustainability systematically	Completed supplier assessments	244 (250)

Stakeholder collaboration and interaction

Tornator's operations are based on values, such as cooperation, aiming to align the objectives of stakeholders and the company in all operations. Stakeholder collaboration is carried out through consultations, meetings, visits and engagement events as well as internal and external communication channels.

The company is active in organisations promoting sustainable forestry in Finland and the countries where it operates. Tornator has board and committee memberships in the Finnish Forest Industry Federation, Forest Stewardship Council Finland and the Climate Leadership Coalition. In Romania, Tornator chairs the PROFOREST association and in Estonia is active in the key industry organisations. All of Tornator's memberships and roles in various organisations are presented on the company's website at www.tornator.fi/en/memberships-in-associations-and-working-groups.



ENVIRONMENT AND CLIMATE

Sustainable forestry

Tornator manages forests according to the principles of economically, ecologically and socially sustainable forestry and responsible business, ensuring that forests remain healthy and diverse. The company complies with the forest and nature conservation legislation of the countries where it operates, as well as the criteria of the PEFC and FSC forest certification schemes. In addition, the company has established a set of sustainability oriented environmental principles that it follows in its operations.

Tornator aims to promote sustainable forestry, safeguard biodiversity and enhance the climate benefits of forests. Measures focus on maintaining forest growth potential, sustainable felling levels, protection of water bodies and the controlled use of peatlands. The company will implement and monitor the effectiveness of its actions through the Biodiversity Programme and the Climate Programme extending until 2030.

The company monitors the effects and quality of silviculture both proactively and through external audits. The company develops its operations through research cooperation, continuous evaluation and best practices in the sector.

The company also requires its contractors and partners to follow the principles of responsible business and sustainable forestry.

SILVICULTURE IN FINLAND 2025



Total forest area
742,000 ha

Number of silviculture sites
60,000

Seedlings planted during the year
23,000,000

Growth fertilisation
5,700 ha

Restored marshland
460 ha

Contractor partners
240

Employment impact
1,600
person-years



Tornator's forests are 100%
PEFC- and FSC-certified.

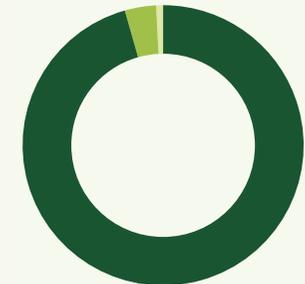


The mark of responsible forestry



PEFC C123368

NATURE MANAGEMENT QUALITY ASSESSMENT IN 2025



● Good **95.6%**
● Points to note **3.6%**
● Anomaly **0.8%**

ENVIRONMENT AND CLIMATE

Biodiversity Programme

With its Biodiversity Programme, Tornator promotes the well-being of endangered species and habitats, develops ecosystem services, improves water body protection, develops game management and takes part in the mitigation of climate change. The programme measures are based on preserving areas with high conservation values and increasing active nature management on forestland owned and managed by the company.

Tornator is committed to protecting at least 5,000 hectares of valuable natural sites under the programme. Moreover, more than 200 projects to improve forest and aquatic habitats will be implemented and 3,000 hectares of marshland restored as part of the programme. Protective thickets important for game species will also be established and the amount of deadwood in the company's forests, which enriches forest biodiversity, will be safeguarded. In the case of peatlands, the goals of the programme include the promotion of continuous-cover silviculture, in other words, forest cultivation without regeneration felling.

To improve biodiversity, Tornator is developing its silviculture guidelines to increase tree species mixing. Tree species mixing supports forests' resilience to damage and climate change, diversity of species and game management.

Tornator's objective is to be a forerunner in catchment area-level water protection. In 2025, Tornator launched the Vesiviisas metsä ("Water-wise forest") project in cooperation with WWF Finland, aiming to minimise the adverse impacts of silviculture on water bodies

at the level of entire catchment areas and to create a comprehensive operating model for taking water bodies into account in forestry. The project will continue until 2027. As part of the project, the development of a catchment area-level water protection metric was initiated, with the aim of increasing and measuring the effectiveness of measures in a three-year programme. The year also saw the continuation of restoration of running waters for species in partnership with WWF.

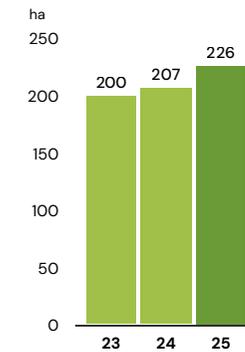
In 2025, Tornator's Biodiversity Programme measures progressed as planned and the targets set for the year were exceeded. The company switched to its own forest owner-specific PEFC certification, replacing the previous regional group certificates and contributing to strengthening Tornator's strategic priorities. In addition, the company created a completely new internal audit system and reporting policy for PEFC certification, which will improve the quality of operations and risk management. Species surveys of prescribed burning continued with an external partner, supporting the development of prescribed burning as part of biodiversity monitoring and promotion. The year also saw the preparation of the Biodiversity Programme's mid-term report on the effectiveness of nature management, to be published in January 2026.

Tornator conserved 226 hectares of valuable nature sites, implemented 35 projects to improve forest and water environments and restored 440 hectares of marshland. The reform of the state's regional administration and the end of the METSO programme period made it difficult to establish new nature conservation areas.

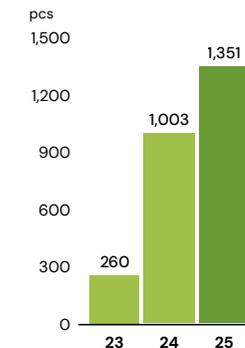


Conservation

NEW NATURE CONSERVATION AREAS

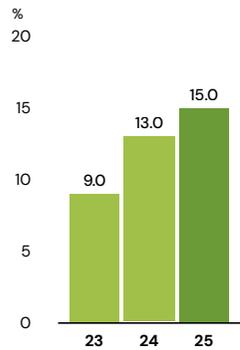


NEW VALUABLE HABITATS



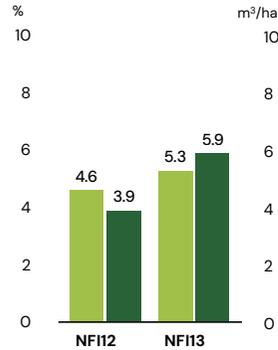
Nature management of commercial forests

TREE SPECIES MIXING



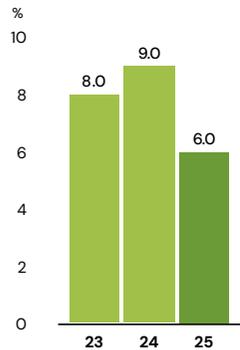
■ Proportion of mixed forests

PROPORTION OF MIXED FORESTS



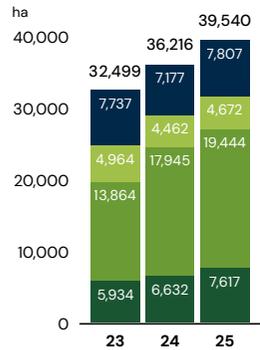
■ Share of aspen in the total volume of deciduous trees, %
 ■ Decaying wood

FOREST STRUCTURE



■ Of forest regeneration consists of covered forest management

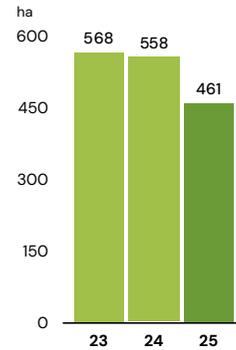
TOTAL AREA OF TORNATOR'S SILVICULTURAL WORK



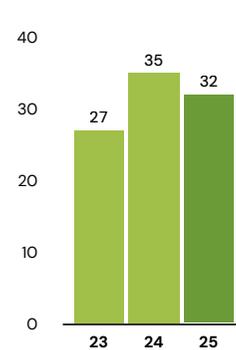
■ Forest regeneration (incl. seeding and planting)
 ■ Tending of seedling stands (incl. cleaning, pre-commercial thinning, and young stand management)
 ■ Clearings (incl. pre-harvest clearing and regeneration site clearing)
 ■ Forest fertilisation (incl. growth and health fertilisation)

Active nature management measures

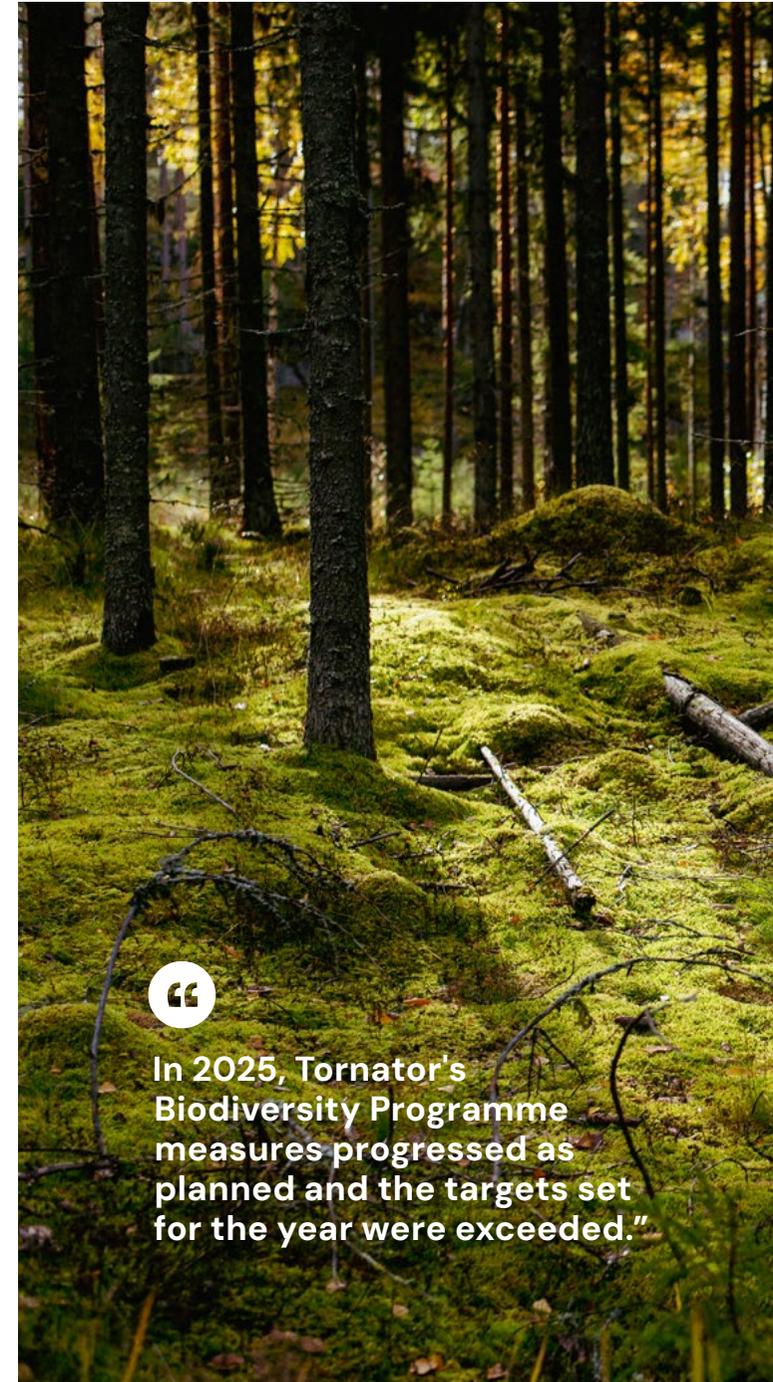
DRAINED PEATLAND RESTORATION



ACTIVE HABITAT MANAGEMENT



■ Completed habitat management measures



In 2025, Tornator's Biodiversity Programme measures progressed as planned and the targets set for the year were exceeded."

ENVIRONMENT AND CLIMATE

Climate Programme

Forests play an important role in mitigating climate change. The goal of Tornator's Climate Programme is to maintain the vitality and health of forests to ensure that their ability to sequester carbon remains strong. Forests owned by Tornator sequester around four million tonnes of CO₂ each year. Forest regeneration, increasing tree species mixing and combatting forest damage are key to adapting to climate change.

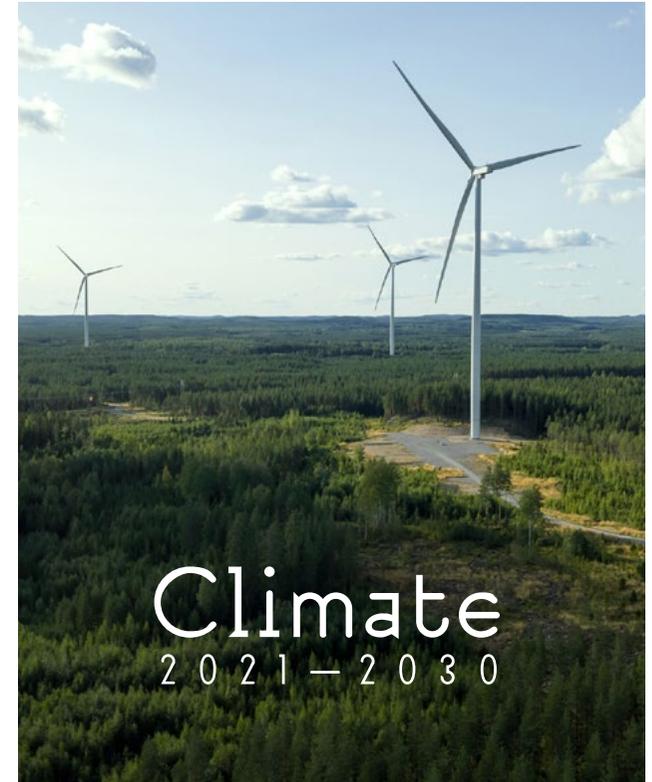
By 2030, Tornator's Climate Programme aims to increase carbon sequestration in forests owned and managed by the company by 20 per cent. In order to achieve this goal, the vitality of forests and their carbon sequestration capacity are strengthened through active silvicultural measures, such as forest regeneration, cultivation and thinning. In addition, the biological growth of forests is promoted through fertilisation and the use of improved seedlings and seeds, which further enhances their ability to sequester carbon.

Another key goal of the programme is to increase the substitution effects of forests by 50 per cent. This translates to improving the usage potential of wood raw material and increasing the production capacity of wind and solar power.

In 2025, the climate programme made balanced progress: additional land purchases and the use of selectively bred nursery stock made better progress than targeted, as did the increase in wind power capacity. Some 35,700 hectares of additional land were purchased compared to a target of 15,000 hectares,

and the amount of selectively bred nursery stock used in silviculture was approximately 11,600 hectares, which was in line with the target and represents about 45 per cent of the programme period target for the first five years. A total of 16 wind turbines were commissioned, against an annual target of 10.

Fertiliser use, on the other hand, fell clearly short of the plan. The target was to fertilise 8,000 hectares of mineral soil, of which 5,700 hectares was fertilised due to the high cost of fertilisers. Felling and silviculture work was carried out as planned, although only slightly more felling opportunities were leveraged than at the beginning of the programme period.



Situation in 2025 / Goal for 2030

0.22 / 0.6 Mt CO₂/year
SUBSTITUTION EFFECTS ENABLED BY WIND AND SOLAR POWER PRODUCTION

4.7 / 5.1 Mt CO₂/year
CARBON SEQUESTRATION IN COMPANY FORESTS

0.11 / 0.2 Mt CO₂/year
SUBSTITUTION EFFECTS CORRESPONDING TO FELLING VOLUMES

5,700 / 8,000 ha/year
FERTILISATION IN COMPANY FORESTS

Learn more about the annual report of the Climate Programme on our website at www.tornator.fi/en/climate-programme.

PEOPLE AND SOCIETY

Principles of social responsibility

People are at the core of Tornator's three priorities for the new strategy period: quality, nature and added value. The well-being of people and society is key to Tornator's business, laying down the foundation for sustainable growth and long-term success.

The company is committed to respecting and promoting universal human rights in all its activities and to respecting the principles of diversity, equality and non-discrimination, in accordance with its Code of Conduct for responsible business. The company does not tolerate discrimination on the grounds of gender, age, ethnic origin, religion, disability or sexual orientation.

Tornator has an anonymous whistleblowing system maintained by a third party for reporting violations of the Code. The reports are handled by the CEO and the Corporate Responsibility Manager, and all cases are registered and corrective measures are taken without delay, if necessary. The whistleblowing channel can be used by both the company's own staff and other stakeholders and it is available on Tornator's website.

Own personnel

At the end of the year, Tornator employed 182 forestry sector professionals, of which 133 work in Finland, 15 in Estonia and 34 in Romania. The number of employees has remained almost unchanged, even though the personnel structure has changed significantly with the retirement of forest workers and the growth of the company. Of the staff, 145 are office workers and 37 forest workers. Since the COVID years, Tornator's number

of office workers has increased by around 40 per cent, while the number of forest workers has decreased in the same proportion. At Tornator, employment relationships are typically very long and personnel turnover is low. In 2025, personnel turnover in Finland was 5.7%, in Estonia 0% and in Romania 8.6%.

Due to the seasonal nature of the work, Tornator employs forest workers increasingly as contractors. The use of contractors in silviculture projects also involves risks in terms of understanding, following and monitoring contractual obligations, which is important to take into account when planning work and drafting contracts.

Investments in the quality of management and competence of personnel

Tornator's growth has required a strengthening of human resources, particularly in land acquisition, forest use planning and operational silviculture. In 2025, the company further developed its AI applications and practices and launched a data classification project that has the potential to increase process automation and AI-based data management. Efforts were made to maintain a sense of community by organising numerous cooperation meetings between different functions and a voluntary field trip to the Estonian forest sites in Tartu. The personnel were encouraged to attend the meetings, and the programme was kept light enough to allow time for informal discussions and getting to know new salaried employees. Maintaining and strengthening a sense of community is seen as a critical success factor in the extensive, mainly teleworking organisation.



Maintaining and strengthening a sense of community is seen as a critical success factor in the mainly teleworking organisation."

The company's most significant investment in improving the quality and culture of leadership in 2025 was the creation of the Steps of Leadership training model in spring 2025, based on a 360 assessment of all front-line managers and supervisors and the feedback on the company's leadership. The Steps of Leadership model was created in collaboration with management and managers and it defines how they want to lead and be led at Tornator. The programme puts into practice the promise of consistent and fair leadership for everyone in the organisation. The aim is to strengthen a uniform management culture, equal opportunities and equal treatment. The promises of the Steps of Leadership will be translated into everyday actions through the training package "Travel guides for working life", which will be attended by the company's managers and executives, including the management group, between 2025 and 2026. The training ensures that the agreed management approach is translated into the day-to-day work of the organisation. In addition, Tornator developed the competence of its personnel by expanding and updating the training offerings of the Torna Academy and by continuing the Koulutusonline service. A quality development training programme also began in cooperation with Aalto EE late in the year.

Developing occupational health and safety

The entire Tornator staff is covered by comprehensive occupational health care. The occupational health and safety manager and the related committee are responsible for developing occupational safety together with the company's management. The company has an electronic channel in place to collect observations and incidents related to occupational safety. Action plans for occupational health and safety and occupational health care are drawn up annually on the basis of these observations and joint meetings. Tornator's occupational

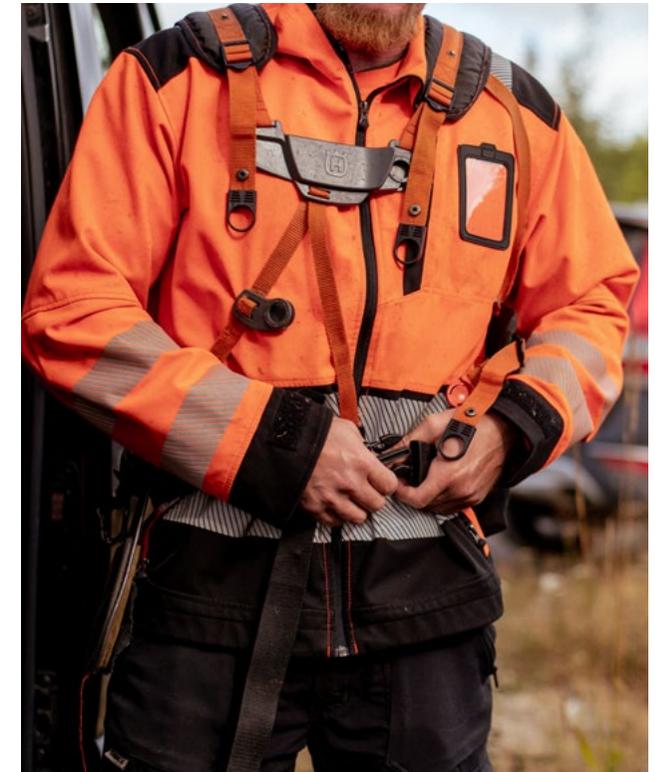
safety organisation includes representatives of both office workers and forest workers, the occupational health and safety manager, and a representative of the company's management.

Tornator trains its staff regularly in occupational health and safety matters. Occupational safety card training is provided every five years for those working in the field, in addition to which first aid training and refresher training is provided every three or five years depending on the employee's job. Members of the occupational safety organisation are offered regular supplementary training. Occupational safety matters are taken into account when planning field work, and the necessary instructions are handed over to the person doing the work.

The development of occupational safety plays a key role at Tornator. In particular, those working in forests need to be adequately prepared to work safely, as there are safety risks associated with the tasks of forest workers operating in varying terrain. Such risks are observed and reported on, after which every effort is made to remove them or at least be properly prepared against them.

Improvement seen in well-being at work

The maintenance and development of occupational well-being is part of Tornator's strategy, and these are promoted in a number of ways. In addition to high-quality occupational health care, staff have access to an electronic pass for sports, cultural and wellness services. Tornator conducts an annual occupational well-being survey for the entire group. In 2025, there was improvement in all categories of the well-being at work survey. According to the survey, staff well-being is at a good level in all categories except for workload, which had also improved slightly but is still at a satisfactory level. This is in part because work is not perceived to be



distributed equally and challenges are perceived with regard to mental and cognitive workloads. In addition, the work is perceived to involve stressful problem-solving situations.

S1-6 Tornator's own employees

Employee head count by gender

Gender	Number of employees (head count)
Male	143
Female	39
Other*	0
Not reported	0
Employees, total	182

Employees by contract type, broken down by gender

2025	Female	Male	Total
Number of employees	39	143	182
Number of permanent employees	39	138	177
Number of temporary employees	0	5	5
Number of non-guaranteed hours employees	0	0	0
Number of full-time employees	37	138	175
Number of part-time employees	2	17	19

Employee head count by country

Country	Number of employees (head count)
Finland	133
Estonia	15
Romania	34

Employees by contract type, broken down by region, average number of employees

2025	Finland	Estonia	Romania	Total
Number of employees	140	15	36	191
Number of permanent employees	130	15	36	181
Number of temporary employees	10	0	0	10
Number of non-guaranteed hours employees	0	0	0	0
Number of full-time employees	118	15	35	168
Number of part-time employees	22	0	1	23

Rate of employee turnover, Group

	2023	2024	2025
Employee turnover, %	15.7	6.1	5.7
Number of employees who have left the company	8	2	6

* Gender reported by the employee.

S1-9 Diversity

Gender distribution at top management level, Group

Gender	2023	2024	2025
Men in top management	12	12	12
Men in top management, %	75%	75%	75%
Women in top management	4	4	4
Women in top management, %	25%	25%	25%

Age distribution, Group

Age distribution of employees	2023	2024	2025
Under 30 years old	9	18	10
30–50 years old	114	114	113
Over 50 years old	58	60	59

S1-14 Occupational health and safety

Health and safety metrics

	2023	2024	2025
People in the company's own workforce who are covered by occupational health and safety management system, %	100	100	100
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0	0
Number of recordable work-related accidents for own workforce (LTI)	3	2	5
Rate of recordable work-related accidents for own workforce (LTIF)	8.08	5.17	13.68
Number of cases of recordable work-related ill health of employees	0	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health related to employees	0	0	0

S1-13 Training and skills development

Employees that participated in regular performance and career development reviews

	2023	2024	2025
Employees, %	100	100	100
Male, %	100	100	100
Female, %	100	100	100
Number of performance reviews per employee	2	2	2
Number of reviews in proportion to the agreed number of reviews by the management	100	100	100

Average number of training hours

	2023	2024	2025
Employees	20	28	42
Men	19	29	43
Women	22	28	40

S1-15 Work-life balance

Family-related leaves

	2023	2024	2025
Employees entitled to take family-related leave, %	100	100	100

Employees that took family-related leave

	2023	2024	2025
Male, %	2.2	3.4	3.5
Female, %	4.9	9.8	2.5
All, %	3.3	4.8	3.3



Tornator trains its staff regularly in occupational health and safety matters.”





The company's vision is to increase its forest assets to one million hectares by 2035, which will significantly increase the amount of forest work."

Value chain workers

Tornator employs over 240 local contractor partners in Finland, most of which are small companies, but there are also medium-sized enterprises that also employ foreign labour. Tornator operates in accordance with the principles of responsible business and is committed to the obligations required by the Act on the Contractor's Obligations and Liability when Work is Contracted Out, collective agreements and forest certification, and expects the same from its contractors.

Tornator's customers are mainly forest owners who sell timber to Stora Enso, companies and communities that buy silviculture and rental services, buyers of waterfront plots and developers of wind and solar power projects.

Responsibility in the value chain

In 2025, Tornator continued to develop its partner-driven forestry services business and strengthened its induction processes and occupational safety practices. Qualitative criteria are applied in the selection of partners, and they are expected to comply with both legislation and Tornator's Code of Conduct. Any risks associated with partners are identified through supplier assessments, which focus on quality and the willingness to continually improve, among other things. Contracting agreements cover occupational safety and working conditions, and compliance is monitored as part of the operations process.

In 2025, Tornator carried out 150 on-site audits at its sites to ensure that contractors are fulfilling their employer obligations and that workers follow occupational safety guidelines and know their rights and responsibilities. The audits showed that the majority of the silviculture sites audited were at a good level, with the main shortcomings relating to the presence of first

aid kits in the field (24% of audited sites) and certificates of completion for internal contractor training (30%). In addition to self-monitoring, Tornator contributes to the annual inspection activities of the Regional State Administrative Agency (AVI) and regularly carries out audits by a third party (Tapio palvelut).

Developing occupational safety in contracting chains

Tornator aims to ensure safe conditions for anyone working in their forests. Contractors organise their own occupational health care, which is a requirement for them to work for us. The company annually uses external assessments to see whether contractors using brush saws and planting seedlings have followed their obligations, in addition to providing training and helping to ensure occupational safety. The assessment shows that compliance with the obligations is generally good, but some shortcomings have been identified in pay and occupational safety instructions.

Tornator aims to have its occupational safety culture more widely adopted in its partners' operating models. This is done by offering the partners occupational safety training and digital induction material, among other things. In 2024, Tornator created a new post of Contracting Manager, and the manager started work in 2025. The first areas for improvement have already been identified, in particular in improving transparency and monitoring of the contracting chain.

The company's vision is to increase its forest assets to one million hectares by 2035, which will significantly increase the amount of forest work. This will require strengthening resources and developing the partner network. Tornator will invest in supporting existing partners and identify new partners with the capacity

for responsible growth. Developing partnerships is key to achieving growth objectives in a safe and high-quality way.

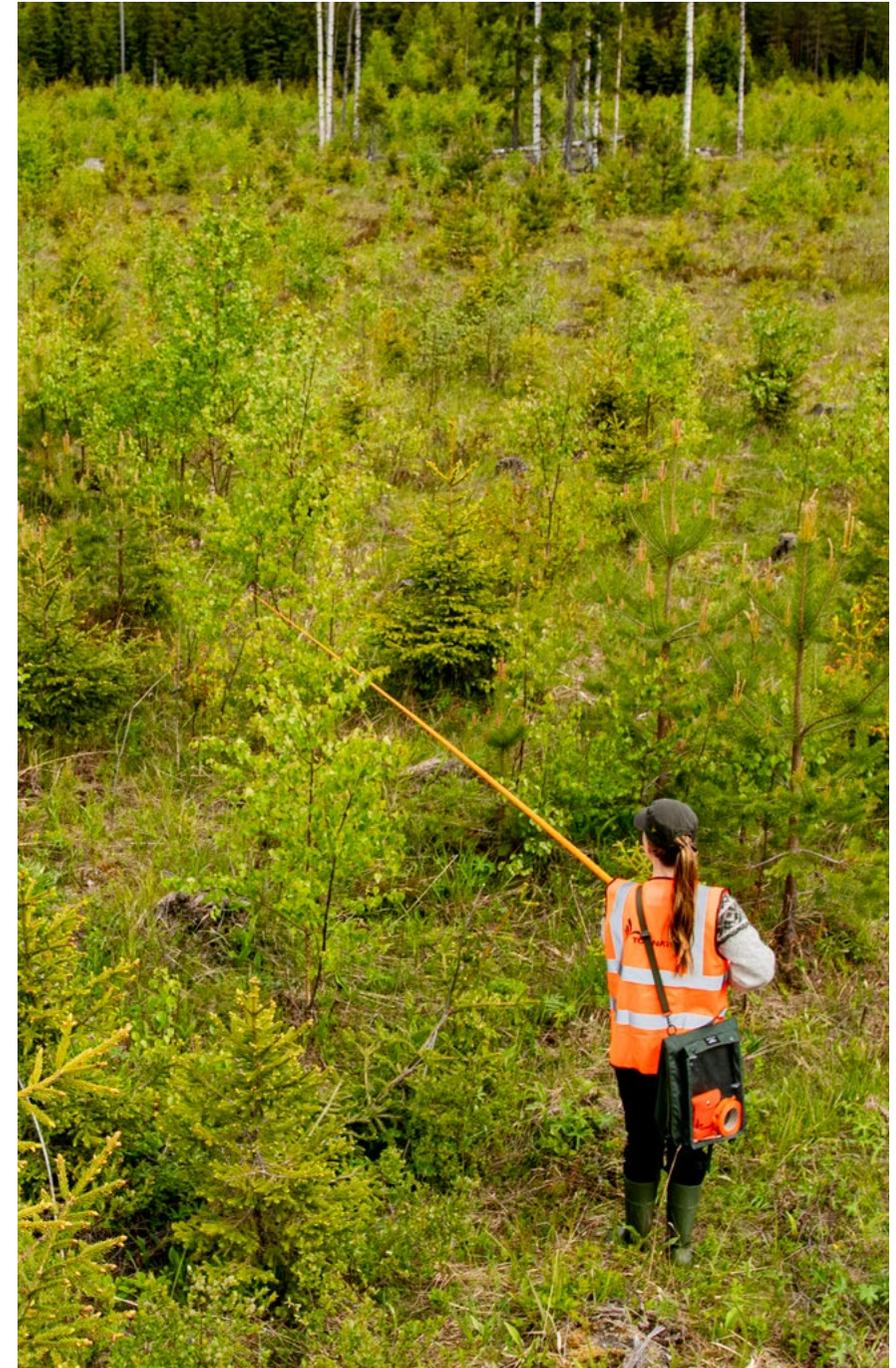
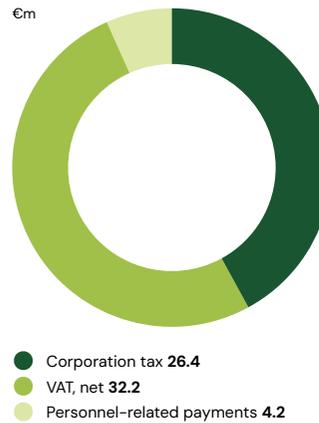
Society

Tornator's operations promote the well-being of society as a whole, not only through the taxes paid but also by providing employment. In 2025, the total tax footprint of the company was EUR 62.8 million, and the employment effect was about 1,600 person-years. The employment effects were particularly visible in Eastern Finland, where recruitment and the employment of trainees supported regional vitality. More than 50 wind power projects on Tornator-owned land and contracts for nearly 30 solar power projects continue to contribute to the economic and social well-being of the communities where the projects are located.

Tornator's forests are also important in promoting intangible well-being by offering extensive recreational opportunities to local communities. The company actively maintains a network of forest roads, making it easier to get around and enjoy nature.

Forest use may cause some adverse affects locally, such as landscape changes. We seek to minimise these impacts through active dialogue with local and national stakeholders. Negative impacts are regularly monitored and assessed, and stakeholders can report any concerns they have via the online whistleblowing channel. In 2025, one instance of non-compliance was reported.

TORNATOR'S TAX FOOTPRINT
Annual taxes and other payments to government, average 2021–2025



GOOD GOVERNANCE

Good governance and partnerships

Tornator's operations are guided by the Code of Conduct and the company is committed to responsible business through its values of responsibility, expertise and partnership. Tornator is determined to be an expert in sustainable forestry, a developing and secure workplace for its employees, and a productive promoter of well-being in its sector.

The company promotes its corporate culture through a training programme for managers and supervisors and by involving staff in strategy development, for example.

In accordance with its Code of Conduct, Tornator expects its employees to act responsibly and to promote the interests of the company through their actions. The company does not tolerate bribery or corruption in any form. To promote and ensure ethical practices, Tornator regularly trains its staff. The anti-corruption policy is reviewed in the staff induction and training on the subject must be renewed every three years. In 2025, 39 Tornator employees completed a training course on the principles of responsible business. In 2025, no cases of corruption or bribery were detected in the company or reported through the whistleblowing channel.

Tornator uses an anonymous whistleblowing system, maintained by a third party, for the reporting of unethical activities or other violations. The reports are handled by the CEO and the Corporate Responsibility

Manager, and all cases are registered and corrective measures are taken without delay, if necessary. The effectiveness of any corrective measures taken is monitored. The online form is available at <https://report.whistleb.com/en/Tornator>.

Supplier network and partnerships

In 2025, there were no significant changes in Tornator's supply relationships in terms of contracts, but as forest assets grow, the development of the partner network is strategically increasingly important in terms of quality, transparency and responsibility. The professionalism of contractors, most of which are SMEs, in meeting Tornator's quality, safety and responsibility requirements and managing transparency in operations is key to the partnerships.

Tornator strives to ensure a steady volume of work and reliable cooperation with its partners, which supports the predictability of their business and their opportunities to invest. The selection of partners focuses on the fulfilment of obligations and certification requirements, the personal safety of forest workers and the performance of the work in a way that meets the technical requirements set out in the agreement. Investing in long-term partnerships is key to improving the quality of operations and supporting Tornator's growth objectives. Managing the quality of contracting is important for Tornator's strategic development.

The growth of Tornator's business, such as forest acquisition and the silviculture services business, has increased the need to develop contract management and contracting practices. To this end, the company has created the role of Contracting Manager and has paid particular attention to the continuous improvement of practices.

Sustainability reporting

In 2025, Tornator followed closely EU regulatory developments, particularly in the progress of the Omnibus procedure and the scope of the taxonomy. While the process is still pending in the European Commission, the company will not start reporting aligned with the Corporate Sustainability Reporting Directive (CSRD) or the taxonomy at this stage. Tornator will continue to implement truly effective sustainability measures in line with its plans and communicate them openly through various channels.

Political influence

Tornator's political lobbying is mainly done through the Finnish Forest Industries, which is the main lobbying channel for the forest industry. The company does not engage in direct political influence, but it actively participates in various events and expresses its views in discussions with various parties.



Governance

GOVERNANCE

Corporate governance

Ownership and corporate structure

In 2025, besides the parent company Tornator Oyj in Finland, Tornator Group included Tornator Eesti OÜ in Estonia and SC Tornator SRL in Romania. All three companies own forestlands and practise sustainable, operational forestry.

The owners of Tornator Oyj are Finnish investors, mostly institutions. There are 12 shareholders.

Tornator Group

12 shareholders	
Tornator Oyj Finland 742,000 ha	
SC Tornator SRL Romania 12,000 ha	Tornator Eesti OÜ Estonia 65,000 ha

Governance principles

The governance of Tornator Oyj is based on the Limited Liability Companies Act of Finland and Tornator Oyj's articles of association. The company's shares are not listed for public trading. Tornator Oyj has issued two secured bonds that are listed by NASDAQ OMX Helsinki Oy, and the company complies with its rules and regulations for listed bonds, the Securities Markets Act as well as the Financial Supervisory Authority's regulations, which are publicly available at www.finanssivalvonta.fi/en.

Annual General Meeting

The Annual General Meeting is the highest decision-making body in Tornator, deciding on matters pursuant to the Finnish Limited Liability Companies Act. The Annual General Meeting is held in May at the latest, on a date determined by the company's Board of Directors. According to Tornator Oyj's articles of association, the votes of a shareholder at the shareholders' general meeting may not exceed 20 per cent of the total number of votes carried by all shares in the company, including the voting rights of all companies and their pension funds and foundations belonging to the same group as the shareholder.

Board of Directors

The Board of Directors of Tornator Oyj consists of four to seven ordinary members, elected by the Annual General Meeting for one year at a time. The Annual General Meeting also elects a personal deputy for each

member. According to the Limited Liability Companies Act, the Board of Directors sees to the administration of the company and the appropriate organisation of its operations and for the appropriate arrangement of the control of the company accounts and finances. The Board of Directors supervises Tornator's operations and management, deciding on significant matters concerning the company's strategy, investments, organisation and finance. The Board of Directors also appoints the CEO, approves budgets and financial statements and is responsible for convening the Annual General Meeting.

The Board of Directors convenes at least four times a year. In 2025, the Board of Directors held 10 meetings.

The personal details of the Board members are presented on the company's website.

Committees

Tornator has two committees that report to the Board of Directors. The oversight committee's job is to oversee significant agreements between the company and the shareholders. It reports to the Board of Directors, which elects three of its members to the oversight committee for one year at a time. The oversight committee convenes and reports to the Board at least twice a year. A remuneration committee also reports to Tornator's Board of Directors, to which the board elects three of its members for one year at a time, and which convenes and reports to the board as necessary. The board has decided not to establish a separate audit committee,

but instead to perform these duties as part of normal board work.

CEO and management group

The CEO is responsible for the company's financial performance and for organising its business operations and administration according to legislation and the instructions and orders issued by the board. The CEO's task is to provide information to the board on matters such as the company's financial situation and changes in the business environment. The CEO is also responsible for key customer relationships.

The CEO is assisted by the management group. In 2025, the management group had six members. The CEO also chairs the management group. The management group is responsible for the practical implementation of the strategy determined by the Board of Directors. The management group meets at intervals of around one month and whenever necessary. In 2025, the management group held 10 meetings. In addition to the management group, the company has an operational management level made up of experts of various functions, with the task of assisting the management group in deploying the strategy. The operational management level consists of over a dozen persons who are invited to the management group's meetings when necessary.

The personal details of the management group members are presented on the company's website.

Operational activities

Operational activities are arranged as a process organisation. The core processes are forest asset management, planning, timber sales, real estate, operations (silviculture) and the environment. These are supported by traditional internal service processes, such as HR, development, ICT, finance and communications.

The processes involve the performance of tasks, set jointly with the company management, to meet strategic goals. Abroad, country managers are responsible for organising operational activities and reporting on them to the parent company. The subsidiaries also receive support from the parent company's business and support functions.

Related party transactions

Tornator and Stora Enso have a significant, volume-based, long-term timber sales agreement. The companies have also signed a new forest service agreement covering the whole of Finland. The market compliance of these agreements is supervised by the oversight committee, which reports to Tornator's Board of Directors (see committees). The oversight committee has no representatives from Stora Enso.

Remuneration

The Annual General Meeting decides on the remuneration for the Board of Directors. The chairperson and members of the board are paid an annual fee. Remuneration of the CEO and members of the management group is decided by the Board of Directors. The CEO and members of the management group will receive a fixed monthly salary and an incentive bonus based on individual performance. The management group is also covered by a long-term monetary incentive scheme.

Financial reporting

The objective of financial reporting at Tornator is to produce annual financial statements that offer a true and fair view in accordance with IFRS accounting standards. Financial reporting is based on company-level processes in different countries and on business area (business process) specific budgeting and budget monitoring. Centralised performance monitoring and analysis is carried out on a monthly basis by the group's financial

management. The interpretation and application of accounting standards is also ultimately centralised in the group's financial management.

Taxes

The payment of taxes and tax-equivalent charges is one of the elements of Tornator's financial responsibility and a means of generating well-being. Key guidelines on compliance with laws and other provisions are set out in Tornator's Code of Conduct. Tornator expects its partners to follow the same principles. The group CEO bears the responsibility for tax-related matters. In each of its operating countries, Tornator pays the taxes and other tax-equivalent charges determined by local legislation in a transparent manner. The profit is not transferred from one country to another within the group. The tax risk is managed through collaboration and open discussion with both the tax authorities and the advisors. Typically, tax risks are related to a single or new transaction, in which case Tornator will first discuss the matter with an advisor and, if necessary, with the tax authorities. As there were no business transactions in 2025 involving specific tax risks, engaging stakeholders in discussions related to tax payments was not deemed necessary.

Auditor

The Annual General Meeting elects the authorised public accountants for one year at a time. PricewaterhouseCoopers Oy has been Tornator's auditor since 2022. Authorised public accountant Panu Vänskä is the auditor in charge.

The parent company's auditors are responsible for planning, coordinating and supervising the audit of the entire group. An audit plan is prepared annually in cooperation with corporate management. The auditors report to the parent company's Board of Directors at least twice a year.

Shareholders on 31 December 2025

	Shares, qty	Shares, %
Stora Enso Oyj	2,050,000	41.00
Ilmarinen Mutual Pension Insurance Company	1,156,500	23.13
Varma Mutual Pension Insurance Company	820,625	16.41
OP Life Assurance Company Ltd	312,500	6.25
OP-Forest Owner Fund	250,000	5.00
Veritas Pension Insurance	125,000	2.50
OP-Eläkesäätiö	104,000	2.08
Pohjola Insurance Ltd	52,000	1.04
Finnair Pension Foundation	49,375	0.99
Danilostock Oy	37,500	0.75
Riffu Oy	37,500	0.75
Finnair Plc	5,000	0.10
Total	5,000,000	100.00

Risk management

Tornator's risk management is aimed at securing profitable business in the long term and to create opportunities for well-managed risk taking using the selected strategy. It is based on systematic identification and analysis of all significant risks to the company, enabling the company to select the optimum tools to manage them. The Board of Directors is responsible for monitoring the risk management results and activities as well as for evaluating the functionality of risk management processes annually. The management group is responsible for the implementation of the risk management strategy, the monitoring of actual risks and the performance of the necessary risk management activities.

Tornator's risks are divided into three main categories: strategic risks, operational risks and financial risks. Examples of each category are described below.

Strategic risks

Fluctuation in timber demand is naturally a risk for a forestry company. Demand risk has decreased as the use of wood has increased and diversified, and many new innovations are as yet unknown. With new investments by the forest industry and as the importation of timber from Russia have come to a halt, wood demand has increased in all countries in which Tornator operates. The company has also secured high demand for wood by certifying all of its forests.

The volatility of wood prices is a significant risk factor in terms of Tornator's results. If prices fall, Tornator can temporarily increase the volume of cutting right sales or plot and forestland sales, or both. However, the goal is to follow a sustainable felling plan in order to optimise annual cash flows in the long run.

Risks concerning roundwood quantity and quality are controlled through long-term forest resource management planning and focusing operations according to the structure and age-class distribution of the forests. For the verification of growing stock growth, the company uses the MOTTI Finnish forest growth model developed by the Natural Resources Institute Finland (Luke), based on the latest research results. These models are used in the preparation of the long-term felling plan (longer than 30 years).

The market transaction-based forest valuation method used in Finland can lead to larger and faster changes in fair value in the event of sudden changes in the forestland market than the model based on future cash flows used in Estonia and Romania.

Changes in current certification criteria may affect opportunities for forest utilisation and cause a loss of income for Tornator, unless there is an agreement on full compensation. The Finnish Forest Stewardship Council (FSC) redefined its national criteria most recently in 2023, and Tornator was closely involved in this process. The changed criteria have not caused the company any significant loss of revenue.

Forestland purchasing entails risks, and the success of investment often becomes apparent only later. The forest resources and structure of the estate to be purchased are determined using highly advanced technology, but some decisions must still be based on estimates. The pricing of estates is based on clear criteria, but pricing and the underlying appraisals may have an effect on the success of purchases in terms of returns.

Tornator monitors the current economic trend when planning plot sales. A downturn may decrease demand for holiday home plots and temporarily reduce profits.

The risk involved in investments made in wind and solar power project development is managed by preparing accurate feasibility studies before launching such projects, by selecting partners among well-known operators in the sector, by dispersing the projects throughout Finland, and by planning them carefully. Tornator does not participate in wind or solar power construction or ownership of production but sells its shares in the projects before construction and remains the lessor of land.

When utilising forest resources Tornator manages risks to the environment by complying with environmental legislation and certification criteria. Risks are discussed in employee training and introduction, and minimised through the careful planning of operations and a high standard of implementation.

Significant new statutes or other factors impeding operations can be regarded as political risks. An example of this is the debate in Finland on the acceptability of forest use, or discussions on regulation at EU level that would restrict forestry. The role of forests in halting biodiversity loss, among other things, has been in the headlines. Acquiring forest assets as a foreign company may also subject the company to political risks in the target countries in question. In managing risks, it is important to cooperate with authorities, educational institutions and various NGOs as well as participate in societal debate. Proactive risk management also involves participation in research in the field and the preparation of various carbon calculations. Tornator pursues open communication with an emphasis on the positive overall responsibility of the company's forestry activities and corporate values.

Tornator also aims to continue expanding its operations outside Finland, in countries where the related growth potential is considered profitable. Geographic expansion

is both a way to manage risks and a risk in itself. With regard to Tornator's operations, Romania and Estonia score relatively poorly in corruption statistics. Tornator makes economic, social and environmental responsibility an integral part of its business, guided by a Code of Conduct that is common to all its countries of operation. Furthermore, the risks associated with expansion are managed by selecting competent partners and reliable customers, and by balancing out long and short-term timber sales agreements. The company performs internal control in all its countries of operation, and the group has a whistleblowing channel in place.

Attracting and retaining skilled employees is a risk in forestry as well. Tornator has prepared for rising numbers of retirements among forest workers by signing on new contractors and increasing machine work. With regard to salaried employees, the company collaborates with educational institutions and recruits proactively. The risk is also managed with active HR management and development. Because of the war, workers from Ukraine have not been available for silviculture work. Future reconstruction could cause a shortage of forestry workers in Tornator's countries of operation, should forestry labour move from these countries to Ukraine.

Operational risks

To manage internal business risks, Tornator has operational processes that are approved by the Board of Directors and senior management. Operational work is increasingly carried out with entrepreneurs' resources, which poses challenges in terms of control of environmental damage and occupational safety, among other things. The expansion of the forest services business throughout Finland has increased the risks posed to Tornator through factors such as an increase in the number of contractors used. This control is being improved by means of training and the use of information technology.

Greater frequency of natural disasters due to climate change pose an ever-greater risk to forest assets. For Tornator, the size and geographical extent of its holdings, the good health and growth of its forests, and the measures required by the Forest Damages Prevention Act (1087/2013) form an intrinsic risk management tool. In addition, Tornator has a Finnish forest insurance policy that covers damage in the case of a major disaster. However, the company regards the insurance of its forest holdings abroad as unprofitable, because the target countries lack an operational forest insurance market. The threat of a cyberattack on corporate information systems may also be considered a risk. Tornator is prepared for this by utilising advanced security technology and by providing instructions and training to users.

Financial risks

A substantial proportion of debt capital in the company's balance sheet constitutes a risk which Tornator manages with special attention. Ready access to the capital markets will enable the successful refinancing of debt. The company adjusts its loan portfolio depending on the financial market situation, so that loans mature over several years and as far into the future as possible. The company has diversified the risks related to acquisition of funds by issuing bank loans and bonds with various maturity dates in different years. The company has prepared for market interest rate changes through derivative contracts. Interest rate hedging reduces the interest rate risk on debt. Liquidity management is based on advance payments and up-to-date cash management. The company also has a commercial paper programme to optimise the need for cash. Cash reserves are invested in bank deposits and short-term, liquid and fixed income funds.

Tornator manages customer risks by advance payments based on sales agreements.

<p>PHYSICAL RISK SHORT TERM LONG TERM</p> <p>Various natural hazards and extreme weather events can cause damage to a forest asset, reducing its value and creating a need for additional work. Long-term changes in the climate, such as warming, droughts, floods or mild winters, as well as other needs related to land use, may make forestry in Finland more difficult.</p>	<p>OPPORTUNITY</p> <p>Tornator uses proven silvicultural methods that help the company effectively adapt to climate change. We are able to apply our know-how and the silvicultural methods we have developed more widely and offer them to other forest owners, as well.</p>
<p>TRANSITION RISK LONG TERM</p> <p>The progress of climate change could lead to new, more stringent regulations, laws and increased costs. Requirements concerning protected areas become stricter, and obligations related to forest certification increase.</p>	<p>OPPORTUNITY</p> <p>Research, development and innovation help create new wood-based products, ensuring continued demand for wood raw material.</p>
<p>TRANSITION RISK LONG TERM</p> <p>Wood is considered more valuable in the form of trees than in sustainable use. This reduces the timber market and increases the nature value market.</p>	<p>OPPORTUNITY</p> <p>Opportunities for additional profit through renewable energy (wind power, solar power and bioenergy). The use of renewable energy reduces the need for fossil fuels.</p>
<p>TRANSITION RISK MEDIUM TERM</p> <p>Stakeholders' negative perceptions of the forest sector and reluctance to participate in combating climate change. Social acceptance of the forest sector declines.</p>	<p>OPPORTUNITY</p> <p>Positive effects on forest growth, tree species selection and carbon sequestration. Earning opportunities through voluntary global carbon emission trading.</p>
<p>TRANSITION RISK LONG TERM</p> <p>New technologies and the transition to a low-carbon economy change business models and customer demand. Technological solutions such as carbon capture and storage (CCS) and carbon capture and utilisation (CCU) are undermining the importance of biological solutions in combating climate change. Tornator's opportunities to profit from carbon sequestration lessen.</p>	<p>OPPORTUNITY</p> <p>Innovating new, low-carbon business models and services.</p>

Definition of timescales: short term 0 to 5 years, medium term 5 to 10 years, long term 10 to 50 years

Tornator's climate-related risk assessments take into account the following types of risk:
TRANSITION RISKS: Policy and regulation, technology, markets, reputation
PHYSICAL RISKS: Acute, long-term

Board of Directors

Esko Torsti

b. 1964, Licentiate of Political Sciences (Economics)

Chair of the Board 2024–

Chair of the Board 2010–2015
Member of the Board 2003–2009
Ilmarinen, Director 2006–

Background:

Pohjola, Chief Investment Officer 2001–2003 and 2005–2006
Pohjola Asset Management, CEO, 2003–2005
Ilmarinen, Head of Fixed Income 1998–2001
Skandinaviska Enskilda Banken, Chief Economist (Finland) 1996–1998

Membership on other Boards of Directors:

William and Ester Otsakorpi Foundation, Chair of the Board

Hanna Kaskela

b. 1979, MSc (Econ)

Deputy Chair 2024–

Varma, Senior Vice President, Sustainability & Communications 2024–

Background:

Varma, Director, Responsible Investment and Sustainability 2022–2023
Varma, Director, Responsible Investment 2017–2022
Varma, Sustainable Development Portfolio Manager 2016–2017
Varma, Equity Portfolio Manager 2006–2016
Varma, Equity Analyst, Varma 2003–2006

Membership on other Boards of Directors:

–

Tuomas Virtala

b. 1974, MSc (Econ)

Member of the Board 2021–

OP Asset Management, CEO, 2019–

Background:

BIO Asset Management, Investment Director 2017–2019
Danske Capital Finland, Country Manager, 2011–2017
Mandatum/Danske Capital, Portfolio manager, Investment Director 1999–2011

Membership on other Boards of Directors:

OP Real Estate Asset Management Ltd, Chair of the Board
Access Capital Partners S.A., Member of the Board

Pauli Torikka

b. 1982, M.Sc (For.), EMBA

Member of the Board 2025–

Stora Enso Oyj, Executive Vice President, Wood and Energy business area 2026–

Background:

Stora Enso Oyj, Senior Vice President, Wood Supply 2024–2026
Stora Enso Oyj, Senior Vice President, Supply Chain & Forest Baltics 2020–2024
UPM–Kymmene Oyj, Director Strategy, UPM Pulp 2019–2020
UPM–Kymmene Oyj, Director raw materials, UPM Pulp 2015–2019
UPM–Kymmene Oyj, Project Director, UPM Biofuels 2013–2015
UPM–Kymmene Oyj, Director, Demand Supply Planning, Forest 2010–2013
UPM–Kymmene Oyj, Manager, Sourcing planning, Forest 2008–2010
Pöyry, Analyst, Forest & Wood Products Business Segment 2007–2008

Membership on other Boards of Directors:

–



From left to right: Pauli Torikka, Esko Torsti, Hanna Kaskela, Tuomas Virtala

Deputy members: Sampsa Ratia, Varma;
Pekka Ahlajärvi, Ilmarinen; Erkkö Ryyänen, OP;
Jari Suvanto, Stora Enso

Management Group

Henrik Nieminen

b. 1970, MSc (Econ), EMBA
CEO 2019–

Background:

Tornator Oyj, Chief Financial Officer 2002–2019
Stora Enso Ab, Project Director 2001–2002
Stora Enso Financial Services SA, Director, Finance 2000–2001
Enso Oy, Treasury Manager 1998–2000
Enso Oy, Accounting Analyst 1997–1998

Ari Karhapää

b. 1967, BSc (For)
Deputy CEO 2014–
EVP, Forestry 2012–

Background:

Forest Owners' Union of North Karelia, Executive Manager 2009–2011
Forest Management Association of North Karelia, Executive Manager 2009–2011
Karjalan Metsätilat Oy LKV, Managing Director 2004–2009
Forest Management Association of Border Karelia, Executive Manager 2004–2008
Forest Management Association of Upper Karelia, Executive Manager 2002–2004

Juha Mäki

b. 1971, MSc (Agriculture and Forestry)
EVP, Real Estate 2023–

Background:

Westas Group Oy, Forest Director 2013–2022
Rauhion Saha Oy, Forest Manager 2008–2013
Family Timber Finland Oy, Development Manager 2004–2008
Southern Finland Association of Forest owners, Development Manager 2002–2003
Union of North Finland Forest management associations, Project Manager 1999–2002

Outi Nevalainen

b. 1968, MSc (Econ), MBA
EVP, People, Communications and Sustainability 2017–

Background:

Microsoft Oy, HR Director, Finland Sales Subsidiary 2015–2017
Microsoft Mobile Oy, Head of HR 2014–2015
Nokia Oyj, several HR managerial positions 1998–2014
United Parcel Service Finland Oy, HR manager 1994–1998



From left to right: Juha Mäki, Henrik Nieminen, Antti Siirtola, Ari Karhapää, Heikki Penttinen, Outi Nevalainen.

Heikki Penttinen

b. 1977, MSc (Eng)
Director of Development 2019–

Background:

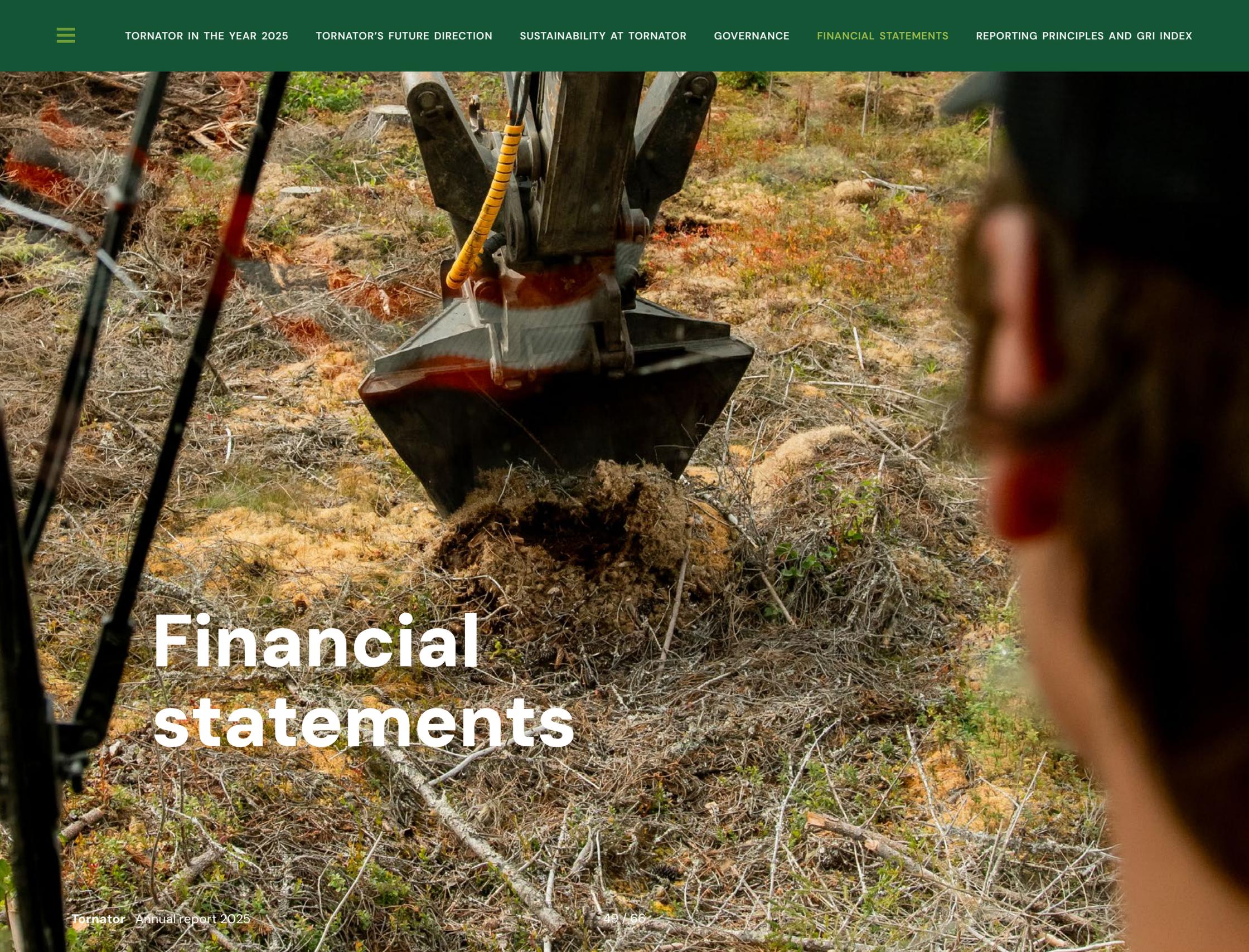
CGI, Director Consulting Service 2018–2019
CGI, Senior Consultant 2017–2018
Olapcon, CEO 2009–2017
Olapcon, Management Consultant 2008–2009
Hay Group, Consultant 2004–2008

Antti Siirtola

b. 1982, MSc (Econ)
CFO 2019–

Background:

Tornator Oyj, Financial Controller 2013–2019
Ernst & Young Oy, Auditor 2008–2013
Fortum Oyj, Treasury Manager 2006–2008

A close-up photograph of an excavator bucket in a forest. The bucket is filled with a dark, reddish-brown liquid, likely sap, and is positioned over a pile of brown, fibrous material. The background shows a dense forest with dry, brown branches and some green foliage.

Financial statements

FINANCE

A strong year for financial performance and finance paves the way towards Vision 2035



The year 2025 was a financially successful one for Tornator. A new record was set again in both turnover: EUR 232 million, and in operating profit: EUR 168 million. The fair value of the forest assets increased by over EUR 200 million, reaching EUR 3.8 billion, and the total balance sheet value exceeded the threshold of EUR 4.0 billion for the first time. The strong turnover was

driven by timber deliveries taking place as planned and elevated timber prices in the beginning of the year. The decrease in wood prices seen towards the end of the year did not affect the performance for 2025.

Finances

In terms of finance, 2025 also materialised as planned. The two-year refinancing round, which started in 2024, was completed in autumn 2025, with Tornator signing a EUR 450 million bank loan package with its partner banks. The EUR 200 million bank loan drawn in autumn 2025 was used to repay the maturing EUR 50 million bank loan and maturing commercial papers, and to strengthen investment capacity. At the same time, Tornator agreed a EUR 250 million bank loan to secure the repayment of the green bond maturing in October 2026. This loan was fully unused at the balance sheet date. Tornator was able to leverage its strengthened investment capacity already in December, when we agreed on a large forestland deal with the OP-Forest Owner Fund. In total, almost EUR 170 million of new forests were purchased in 2025, which is also a new record.

Sustainable financing and outlook for 2026

The year 2026 will be another interesting year from the point of view of financing. In 2025, we received unexpected relief from reporting requirements when the EU Omnibus Regulation meant that Tornator was not required to prepare a CSRD-aligned sustainability report. Currently, it seems likely that the requirement will be removed entirely for a company of Tornator's size. The change in reporting requirements had no practical impact on Tornator; we continued our own efforts to implement biodiversity and climate programmes, among others. These programmes will also be the cornerstones of the Green Finance Framework, which will be updated in 2026. The aim is to also seek a new 2nd party opinion on the framework when the framework is updated.

All in all, Tornator is starting 2026 in an excellent position. Record-high results, significant growth investments and successful financing arrangements have created a strong financial basis for the company's long-term growth, and Vision 2035 sets out the longer-term objective for the company's business development.



A new record was set again in both turnover and in operating profit."

Vision 2035

Tornator's Vision 2035: "One million hectares" also demands a lot from the company's capital management. In practice, we are talking about a billion-euro investment. The objective should not be pursued at any cost. Instead, Tornator is committed to maintaining profitability and an investment grade credit rating. Achieving these objectives requires a good balance and cooperation in forest acquisition, business and financing. Financing involves monitoring a number of different indicators, making scenario calculations for timber prices, investment amounts and interest rate developments, and taking the necessary decisions on financing and interest rate hedging.

Financial strategy and financial risk management

Tornator's proven financial strategy has remained unchanged for a long time, and its objective continues to be to secure competitive funding for the company's business and investments, manage the group's financial risks and ensure business continuity. The financial strategy is based on ready access to the capital markets, diverse financial instruments, managed hedging of interest rate risk and sufficient liquidity. Cost-effective financing is facilitated by the high collateral value of forest assets, the investment grade credit rating and Tornator's reputation as a responsible company.

The purpose of financial risk management is to minimise the negative effects of changes in the financial markets on the company's profit and cash flow. The objectives of risk management and the risk management policy are defined by Tornator's Board of Directors, which is also responsible for monitoring risk management. The company's key financial risks are related to interest rates and the availability of financing. At the end of 2025,

Tornator's interest rate hedging ratio (fixed interest rate as a proportion of the total debt portfolio, including hedges) was 81 per cent, which ensures that the increase in interest expenditure resulting from a rise in market interest rates will remain moderate and manageable for Tornator.

Availability of financing

These risks are minimised through credit agreements with different maturities, a broad base of financiers and committed credit facilities, and by maintaining the company's reputation as a reliable debtor and ensuring the preservation of high collateral value of forest assets. The only covenant requirement for secured debts is the loan to value (LTV) ratio of senior loans to the fair value of the forests, which may not exceed 70 per cent. In 2025, Tornator fulfilled this covenant by a good margin. In addition, Tornator is committed to maintaining its investment grade credit rating and meeting the required metrics set by the rating agency.

KEY ACHIEVEMENTS 2025



New records in turnover and operating profit

Significant financing facility to ensure the repayment of debt maturing in 2026 and increase investment capacity

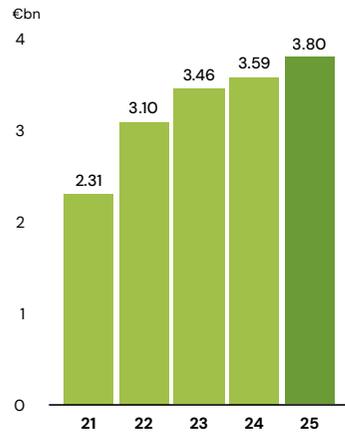
TARGETS FOR 2026

Updating of the green finance framework

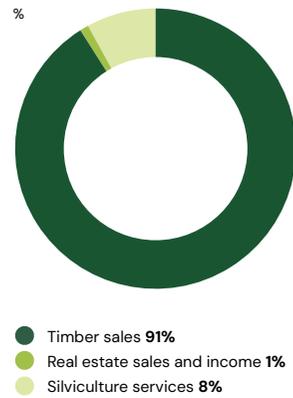


Ensuring investment capacity for the coming years

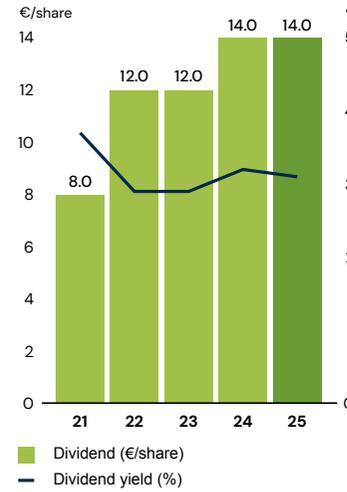
VALUATION OF FORESTS
(Fair value)



CASH FLOW FROM OPERATIONS



DIVIDEND AND DIVIDEND YIELD

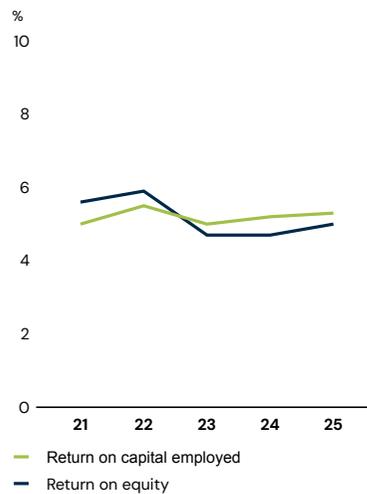


NET FINANCIAL EXPENSES

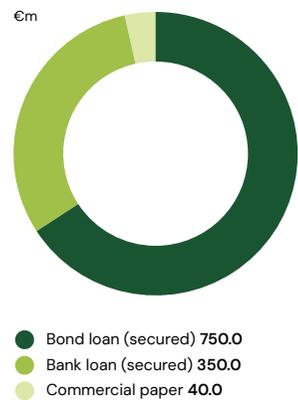


ROCE AND ROE

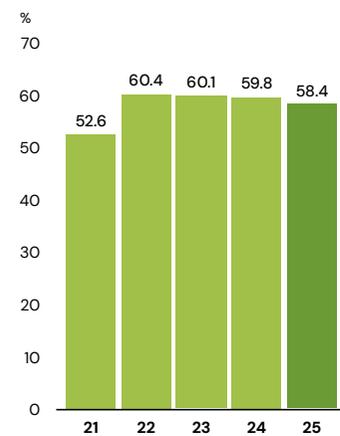
Without effects of fair value changes



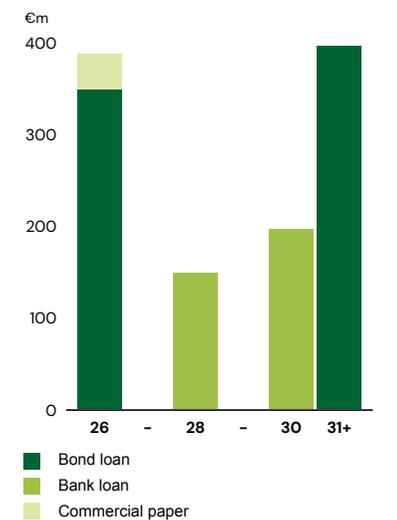
STRUCTURE OF DEBT, NOMINAL VALUES AT 31 DEC 2025



EQUITY RATIO



MATURITY OF DEBT



Summary of consolidated financial statements

Tornator Group reports its financial statements according to the International Financial Reporting Standards (IFRS). Operational key figures have been calculated without the effects of changes in the fair value of forest assets, provisions, wind power purchase price receivables and interest rate derivatives. The same applies to the figures for the previous year.

Turnover and results

The group's turnover was EUR 232.2 million (EUR 213.0 million), a change of +9.0%. The volume of timber deliveries was at the level of the comparison period, but the stronger price level increased the turnover. Neither changes in market interest rates or inflation, nor Russia's war of aggression in Ukraine, had a significant negative impact on the company's business. A total of 91.1% of turnover, worth EUR 211.6 million, consisted of timber sales income (EUR 192.8 million, or 90.5%). The turnover of silviculture services increased by 11.6%, reaching EUR 19.0 million (EUR 17.0 million). In addition, the proceeds from land and plot sales amounted to EUR 1.6 million (EUR 3.2 million). Other operating income, EUR 6.1 million (EUR 7.6 million), includes income from land access and lease revenues, compensation for conservation areas and sales of soil-resources as well as income from actual and estimated future earn-outs related to sold wind power projects.

Operating profit at fair value amounted to EUR 298.4 million (EUR 189.9 million), and profit for the financial period was EUR 217.2 million (EUR 132.5 million). The fair value of the forest assets increased significantly more than in the comparison period, which contributes to the increase in operating profit. The change in the fair value of biological assets increased operating profit by +€129.8 million (+€35.2 million), and the positive fair value change of financial instruments increased profit by +€0.8 million (–€6.0 million) before taxes. In addition to the change in the fair value of biological assets, the change in the value of bare land within the forest assets was recorded

in other comprehensive income in the equity revaluation reserve, amounting to –EUR 71.3 million (+EUR 12.1 million).

Notable events during the period under review

Tornator had an excellent year, both in terms of operational activities and the implementation of strategic projects.

In the core business, namely timber sales and deliveries, the results were better than planned. Good demand pushed up the market price of wood. Timber deliveries to Tornator's main customer, Stora Enso, totalled some EUR 191.3 million (EUR 169.0 million), which was around 90% (88%) of the group's timber delivery turnover. Timber sales to the main customer are based on a long-term framework agreement conforming with the market.

In the silviculture services business, work was carried out as planned and turnover increased to EUR 19.0 million, or +11.6% year-on-year (incl. Finland and Romania).

The fair value of Tornator's forest assets increased during the 2025 financial period, thanks to both the acquisition of forestland and a positive change in value. The total value of the group's forest assets increased by approximately EUR 210 million (EUR 139 million) during the financial period. The value of the parent company's forest assets increased by approximately EUR 225 million (EUR 97 million), of which the impact of net acquisitions was approximately EUR 167 million (EUR 92 million). In Estonia and Romania, the fair value of forest assets decreased by a total of approximately EUR 15 million. The fair value update of biological assets (growing stock) for all the operating countries improved the group's operating profit by a total of EUR 130 million (EUR 35 million). The total impact of changes in the fair value of bare land (revaluation) was –EUR 87 million (+EUR 12 million). A more detailed description of Tornator's forest valuation model is given in the notes to the financial statements.

The total value of the group's forest assets recorded in the financial statements, including growing stock and bare land, was around EUR 3,805 million (EUR 3,595 million). The figures include the effects of felling, as well as the purchases and sales of productive forestland. Tornator owns a total of approximately 819,000 hectares of forest in Finland, Estonia and Romania (783,000 hectares).

Tornator's equity ratio remained high at 58.4% (59.8%), and liquidity remained good throughout the year. The company fulfilled the terms of its loan to value (LTV) covenant by a safe margin.

The company continued to purchase new forestland. Tornator bought more than 35,000 hectares of forest in Finland.

In Estonia and Romania, the company continued to manage its forests sustainably, and to further develop its sustainable business operations. All the group's forests are dual-certified (PEFC, FSC).

Tornator continued to implement its Climate Programme and Biodiversity Programme in 2025. The content and objectives of the programmes are presented on our website.

In line with our sustainability programme, Tornator engaged in marsh restoration, prescribed burning and the establishment of nature conservation areas on approximately 740 hectares of our land. Tornator continued with major conservation projects within the framework of initiatives such as the Metso and Helmi habitat protection programmes.

The Annual General Meeting of Tornator Oyj, held on 6 March 2025, decided that a dividend be paid as proposed by the Board of Directors: EUR 14.0 per share, totalling EUR 70 million.

Consolidated income statement, IFRS

€m	2021	2022	2023	2024	2025
Net sales	128.6	164.6	194.9	213.0	232.2
Other operating income	26.8	11.7	4.9	7.6	6.1
Change in fair value of biological assets and harvesting	329.1	462.2	295.7	35.2	129.8
Change in inventories of finished goods and work in progress	-2.5	-2.5	-0.5	-1.1	-0.8
Materials and services	-24.2	-30.1	-35.4	-41.1	-43.3
Personnel expenses	-9.6	-10.3	-11.0	-11.3	-12.5
Depreciation	-3.2	-3.3	-3.3	-3.4	-3.8
Amortisation and reversal of amortisation		-11.7	11.7		
Other operating expenses	-5.7	-8.6	-14.2	-9.0	-9.4
Operating profit	439.2	572.0	442.9	189.9	298.4
Financial income	0.3	0.5	6.4	12.1	8.5
Financial expenses	-16.0	-14.1	-30.0	-39.5	-35.5
Change in fair value of financial instruments	41.9	110.9	-5.5	-6.0	0.8
Financial items (net)	26.3	97.3	-29.2	-33.4	-26.3
Profit before taxes	465.5	669.3	413.7	156.5	272.1
Income taxes	-25.7	-42.9	-19.2	-23.9	-27.1
Change in deferred taxes	-62.3	-84.5	-53.9	-0.1	-27.7
Profit for the period	377.5	541.9	340.6	132.5	217.2

Consolidated balance sheet, IFRS

€m	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025
ASSETS					
Non-current assets					
Forest assets	2,313.5	3,101.0	3,455.5	3,594.9	3,804.5
Biological assets	2,210.2	2,737.3	3,139.2	3,256.7	3,535.3
Bare land	103.3	363.8	316.4	338.2	269.2
Fixed assets	16.2	16.0	16.3	18.0	19.6
Intangible assets	1.4	2.0	2.3	2.6	2.1
Right-of-use assets	2.2	1.9	1.8	1.6	1.9
Derivatives		42.4	35.5	29.5	30.2
Other investments	0.1	0.1	0.1	0.1	0.1
Non-current receivables	18.7	7.5	17.4	19.0	19.2
	2,352.1	3,170.9	3,529.0	3,665.6	3,877.7
Current assets					
Inventory	0.0	0.1	0.1	0.1	0.1
Trade receivables	18.3	36.3	30.0	43.5	47.6
Other receivables	10.8	16.7	0.6	1.9	0.9
Other financial assets	7.1	0.4	30.6		
Cash and cash equivalents	16.8	19.2	40.5	86.6	96.7
	53.1	72.8	101.7	132.0	145.3
Total assets	2,405.2	3,243.7	3,630.7	3,797.6	4,023.0

€m	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025
EQUITY AND LIABILITIES					
Equity attributable to parent company shareholders					
Share capital	50.0	50.0	50.0	50.0	50.0
Other equity	1,208.5	1,901.8	2,125.3	2,199.9	2,274.9
Total equity	1,258.5	1,951.8	2,175.3	2,249.9	2,324.9
Non-current liabilities					
Deferred tax liabilities	282.6	419.8	458.5	458.2	469.8
Financial liabilities	748.6	749.1	849.0	946.8	746.4
Derivatives	70.3	1.6	0.0		
Leasing liability	2.0	1.6	1.6	1.4	1.7
Pension obligations	0.2	0.2	0.1	0.1	0.1
	1,103.8	1,172.3	1,309.2	1,406.4	1,217.9
Current liabilities					
Financial liabilities	0.0	69.0	98.8	61.6	389.5
Trade and other payables	22.9	23.6	33.5	61.4	73.9
Income tax liabilities	11.2	15.2	1.8	5.1	3.1
Leasing liability	0.3	0.4	0.4	0.3	0.3
Provisions	8.5	11.3	11.8	12.9	13.3
	42.9	119.5	146.2	141.3	480.1
Total liabilities	1,146.7	1,291.8	1,455.4	1,547.7	1,698.0
Total equity and liabilities	2,405.2	3,243.7	3,630.7	3,797.6	4,023.0

Statement of changes in Group shareholders' equity

1,000 euro	Share capital	Share premium	Translation difference	Revaluation reserve	Retained earnings	Shareholders' equity total
Equity on 1 Jan 2024	50,000.0	29,995.2	-11,012.2	154,336.4	1,951,946.1	2,175,265.5
Comprehensive income						
Profit/loss for the financial period					132,490.0	132,490.0
Other items of comprehensive income (after taxes)						
Land revaluation				12,110.5		12,110.5
Items derived from the re-definition of net defined benefit costs (or asset items)					36.8	36.8
Translation difference			9.6			9.6
Comprehensive income for the period			9.6	12,110.5	132,526.8	144,646.9
Transactions with shareholders						
Dividends paid					-70,000.0	-70,000.0
Total transactions with shareholders						
Equity on 31 Dec 2024	50,000.0	29,995.2	-11,002.7	166,447.0	2,014,472.9	2,249,912.4
Equity on 1 Jan 2025	50,000.0	29,995.2	-11,002.7	166,447.0	2,014,472.9	2,249,912.4
Comprehensive income						
Profit/loss for the financial period					217,226.7	217,226.7
Other items of comprehensive income (after taxes)						
Land revaluation				-71,272.2		-71,272.2
Items derived from the re-definition of net defined benefit costs (or asset items)					8.0	8.0
Translation difference			-934.2			-934.2
Comprehensive income for the period			-934.2	-71,272.2	217,234.7	145,028.2
Transactions with shareholders						
Dividends paid					-70,000.0	-70,000.0
Total transactions with shareholders						
Equity on 31 Dec 2025	50,000.0	29,995.2	-11,936.9	95,174.7	2,161,707.6	2,324,940.6

Consolidated cash flow statement

€m	2021	2022	2023	2024	2025
Cash flow from operating activities					
Cash receipts from transactions in forestry	116.6	140.1	199.8	210.6	236.3
Cash receipts from transactions in land sales	6.7	5.2	1.8	11.7	2.5
Cash receipts from other operating income	5.8	24.3	6.1	6.5	6.1
Cash paid to suppliers and employees	-38.8	-49.4	-49.8	-58.5	-62.9
Cash flow from operating activities before financial items and taxes	90.2	120.2	157.9	170.3	182.0
Interest paid, interest bearing debt	-7.5	-9.2	-25.0	-32.6	-28.4
Interest paid, derivatives	-69.4	-4.4	-0.3		
Other financial expenses paid	-0.9	-0.8	-2.9	-7.1	-6.9
Interest received, other financial income	0.3	0.4	2.7	5.3	4.5
Interest received, derivatives			3.2	6.3	3.8
Income taxes	-20.9	-41.3	-30.1	-20.6	-29.1
Net cash flow from operating activities	-8.2	65.0	105.6	121.6	125.9
Cash flow from investing activities					
Investments in forest assets, biological assets	-42.6	-67.1	-106.8	-83.3	-150.2
Investments in forest assets, bare land	-5.3	-8.3	-13.2	-10.3	-18.6
Investments in other tangible and intangible assets	-3.4	-3.5	-3.5	-5.0	-4.6
Investments in money market investments			-30.2		
Proceeds from sale of money market investments	0.1	6.7		30.6	
Net cash flow from investing activities	-51.3	-72.2	-153.7	-68.1	-173.4

€m	2021	2022	2023	2024	2025
Cash flow from financing activities					
Withdrawal of long-term loans	150.0		100.0	300.0	200.0
Repayment of long-term loans	-75.0	0.0	0.0	-200.0	-50.0
Withdrawal of short-term loans		70.0	29.8		
Repayment of short-term loans	-15.0			-37.2	-21.9
Repayment of leasing liabilities	-0.3	-0.3	-0.4	-0.4	-0.4
Dividends paid	-40.0	-60.0	-60.0	-70.0	-70.0
Net cash flow from financing activities	19.6	9.7	69.4	-7.5	57.8
Net increase/decrease in cash and cash equivalents	-39.9	2.4	21.3	46.1	10.3
Cash and cash equivalents at beginning of period	56.7	16.8	19.2	40.5	86.6
Cash and cash equivalents at end of period	16,8	19,2	40,5	86,6	96,7

Summary of financial statements

Tornator Group reports according to the International Financial Reporting Standards (IFRS).

	2021	2022	2023	2024	2025
Net sales, € million	128.6	164.6	194.9	213	232.2
Operating profit, € million	439.2	572.0	442.9	189.9	298.4
Operating profit without change in fair value of biological assets, € million	90.0	130.2	141.8	154.1	168.4
Operating profit without change in fair value of biological assets, % of net sales	70.0	79.1	72.8	72.4	72.5
Profit/loss for the period, € million	377.5	541.9	340.6	132.5	217.2
Profit/loss for the period without fair value changes, € million	61.1	94.8	96.7	103.2	114.4
Profit/loss for the period without fair value changes, % of net sales	47.5	57.6	49.6	48.5	49.3
Shareholders' equity, € million	1,258.5	1,951.8	2,175.3	2,249.9	2,324.9
Interest-bearing net liabilities, € million	724.8	798.5	876.6	921.9	1,039.2
Balance sheet total, € million	2,405.2	3,243.7	3,630.7	3,797.6	4,023.0
Return on capital employed without change in fair value of biological assets, %	5.0%	5.5%	5.0%	5.2%	5.3%
Return on equity without fair value changes, %	5.6%	5.9%	4.7%	4.7%	5.0%
Equity ratio, %	52.6%	60.4%	60.1%	59.8%	58.4%
Dividends paid, €/share	8.0	12.0	12.0	14.0	14.0
Dividend yield, %	3.7%	3.7%	2.9%	3.2%	3.1%
Average number of personnel	189	188	189	188	191
Personnel expenses, % of net sales	7.4%	6.3%	5.7%	5.4%	5.4%
Investments in forest assets, € million	47.9	75.4	120.0	93.6	168.7
Investments in other fixed assets, € million	3.4	3.5	3.5	5.0	4.6
Annual cut, million cubic metres	3.1	3.4	3.4	3.3	3.2
Fair value of forests, € million	2,313.5	3,101.0	3,455.5	3,594.9	3,804.5
Gross proceeds from land sales, € million	6.7	5.2	1.8	3.2	1.6

Financial ratios

	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025	Max./Min.
Equity ratio, %	52.6	60.4	60.1	59.8	58.4	
Average interest rate, %	2.1	1.6	2.5	2.9	2.4	
Hedge ratio, %	69	63	65	91	81	
Average loan maturity, years	4.7	3.4	3.2	4.1	3.6	
Average fixing time, years	2.5	1.9	2.3	3.6	2.6	
Loan to Value (LTV), %	43.8	43.0	42.5	47.9	57.6	70

Long-term target for equity ratio is 50%.

The only financial covenant for bonds and loans is Loan-to-Value ratio (LTV), which can be max. 70 %.

Financing, nominal values

€m	2021	2022	2023	2024	2025
Long-term bonds	350.0	350.0	450.0	750.0	400.0
Long-term bank loans	400.0	400.0	400.0	200.0	350.0
Short-term bonds					350.0
Short-term bank loans and commercial papers		70.0	100.0	62.0	40.0
Total debt	750.0	820.0	950.0	1,012.0	1,140.0
Net financial items	26.3	97.3	-29.2	-33.4	-26.3
Net financial expenses without fair value changes	15.7	13.6	23.6	27.4	27.0
Net financial expenses without fair value changes, % of net sales	12.2	8.3	12.1	12.9	11.6
Average interest rate, %	2.1	1.6	2.5	2.9	2.4

Sensitivity of interest rate risk

Effects of one percentage point changes in yield curve have a following impact on Tornator's Income statement and Equity

m€	+1%	-1%
Income Statement		
Financial and interest expenses	-1.9	1.9
Change in fair value of derivatives	9.3	-9.8
Equity, net of taxes	5.9	-6.3

Calculation of key figures

Return on equity, %	=	$\frac{\text{Profit for the period}}{\text{Equity}} \times 100$
Return on capital employed, %	=	$\frac{\text{Operating profit + interest income}}{\text{Balance sheet total - interest-free liabilities}} \times 100$
Dividend yield, %	=	$\frac{\text{Dividends paid}}{\text{Equity}} \times 100$
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Balance sheet total - advances received}} \times 100$

A close-up photograph of a tree branch with a cut end, showing the internal wood grain. The background is a dense, out-of-focus forest of green trees.

Reporting principles and GRI index



Reporting principles

This report has been prepared with reference to the Global Reporting Initiative's GRI Universal Standards. The reporting period is the calendar year, 1 January – 31 December 2025, and the report is published annually.

The report is published online in Finnish and English. The sustainability information has not been verified by an external party. The company's previous Annual Report was published on 6 March 2025.

The sustainability information given in this Annual Report covers the Tornator Group, except for the biodiversity disclosure 304-4.

For further information, please contact:

Tuija Luukkanen
Corporate Responsibility Manager
tuija.luukkanen@tornator.fi

Outi Nevalainen
EVP, People, Communications and Sustainability
outi.nevalainen@tornator.fi

Tornator Oyj's head office is located at Einonkatu 6, Imatra, Finland.

GRI content index

GRI standard	Content	Location	Comments
GRI 2: GENERAL DISCLOSURES (2021)			
Organizational profile			
2-1	Organizational details	Tornator in brief p. 4; Governance p. 42; Reporting principles p. 61	
2-2	Entities included in the organization's sustainability reporting	Reporting principles p. 61	
2-3	Reporting period, frequency and contact point	Reporting principles p. 61	Date of publication of the report: 9 March 2026.
2-4	Restatements of information	GRI content index	No restatements of previously reported information.
2-5	External assurance	Reporting principles p. 61	
Activities and workers			
2-6	Activities, value chain and other business relationships	Tornator in brief p. 4; Quality pp. 15–16; Sustainability management p. 26, 28	
2-7	Employees	People and society p. 35	Tornator does not use zero-hours contracts. The figures in the table "Employees by contract type, broken down by region" represent the annual average; the other tables on the page present the situation at year-end.
2-8	Workers who are not employees	GRI content index	Partially reported. Tornator does not provide temporary work services nor use agency-hired labour. The number of contractors has remained almost unchanged compared to the previous year.
Governance			
2-9	Governance structure and composition	Governance pp. 42–43; Board of Directors p. 47; Management Group p. 48	Partially reported.
2-10	External initiatives	Governance p. 42	Partially reported.
2-11	Chair of the highest governance body	Board of Directors p. 47	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management p. 24; Governance pp. 44–46	Partially reported.
2-13	Delegation of responsibility for managing impacts	Sustainability management p. 24; Governance p. 44	
2-14	Role of the highest governance body in sustainability reporting	GRI content index	The Board of Directors does not formally approve the report as a separate decision, but it reviews the report's contents and related action plans systematically as part of its annual cycle.
2-16	Communication of critical concerns	People and society p. 39; Good governance p. 40	Reports received via the whistleblowing channel in 2025: 1 case. Serious incidents leading to actions are communicated to the Board of Directors in connection with Board meetings.
2-19	Remuneration policies	Governance p. 43	Partially reported.
2-20	Process to determine remuneration	Governance p. 43	Partially reported.

GRI standard	Content	Location	Comments
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	CEO's review pp. 8–9; Quality pp. 15–16; Nature pp. 18–19; Added value p. 20	
2-23	Policy commitments	Sustainability management p. 24; Good governance p. 40	Tornator's Code of Conduct is available on the company website: https://www.tornator.fi/wp-content/uploads/2021/11/Tornator_CoC_EN_final_021120.pdf . The Code of Conduct is approved by the Board of Directors.
2-24	Embedding policy commitments	Sustainability management p. 24; Environment and climate pp. 29–30; People and society pp. 33–34	
2-25	Processes to remediate negative impacts	Quality p. 15; People and society p. 38; Good governance p. 40	Partially reported.
2-26	Mechanisms for seeking advice and raising concerns	Sustainability management p. 40	
2-27	Compliance with laws and regulations	GRI content index	There were no suspected violations of laws in 2025.
2-28	Membership associations	Sustainability management p. 28	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Sustainability management p. 28	
2-30	Collective bargaining agreements	GRI content index	In Finland and Romania, 100% of employees are covered by universally binding or local collective bargaining agreements. In Estonia, terms of employment are agreed in individual employment contracts.
GRI 3: MATERIAL TOPICS (2021)			
3-1	Process to determine material topics	Sustainability management p. 25	
3-2	List of material topics	Sustainability management p. 25	
3-3	Management of material topics	Sustainability management pp. 26–27; Environment and climate pp. 29–32; People and society pp. 33–34, 38–39; Good governance p. 40	
ECONOMIC STANDARDS			
GRI 201: ECONOMIC RESULTS (2016)			
201-1	Direct economic value generated and distributed	Added value p. 22; People and society p. 39; Consolidated income statement, IFRS p. 54	
201-2	Financial implications and other risks and opportunities due to climate change	Governance p. 46	Partially reported.
GRI 205: ANTI-CORRUPTION (2016)			
205-2	Communication and training about anti-corruption policies and procedures	Good governance p. 40	As part of the Code of Conduct training, which is mandatory for all Tornator employees and senior management. The principles are also reviewed as part of all new supplier relationships and other partnerships.
205-3	Confirmed incidents of corruption and actions taken	Good governance p. 40	

GRI standard	Content	Location	Comments
GRI 206: ANTI-COMPETITIVE BEHAVIOR (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	GRI content index	No legal actions.
GRI 207: TAXES (2019)			
207-1	Approach to tax	Governance p. 43	Tornator does not have a separate tax strategy.
207-2	Tax governance, control, and risk management	Governance p. 43	
207-3	Stakeholder engagement and management of concerns related to tax	Governance p. 43	Tax risks are managed through cooperation and open dialogue with the tax authorities and advisers. Typically, tax risks relate to individual or new business transactions, in which case Tornator first consults an adviser and, if necessary, the tax authorities. In 2025, there were no transactions posing specific tax risks; therefore, stakeholder engagement on tax payments was not considered necessary.
207-4	Country-by-country reporting	Tornator in brief p. 4; Year 2025 in figures p. 6; People and society p. 35; Governance p. 43;	
ENVIRONMENTAL STANDARDS			
GRI 303: WATER AND EFFLUENTS (2018)			
Tornator's specific indicator	Impact on water courses by Tornator's forest management, and its control	Environment and climate pp. 29–30, 32; GRI content index	Water courses are affected, for example, by ditch cleaning and supplementary ditching, soil preparation and fertilisation. The impacts are mitigated through various water-protection measures such as buffer zones, sedimentation basins and overland flow. Marshland restoration (461 hectares) and various restoration projects of aquatic habitats (32 projects) also had a positive effect on the condition of waters.
GRI 101: BIODIVERSITY (2024)			
101-2	Management of biodiversity impacts	Environment and climate p. 30	Partially reported. The total area of protected sites is disclosed. The objectives and monitoring of the biodiversity programme are available on Tornator's website: https://www.tornator.fi/en/biodiversity-programme/ .
GRI 305: EMISSIONS (2016)			
Tornator's specific indicator	Tornator's CO ₂ emissions	GRI content index	The CO ₂ emissions of Tornator's own forestry supply chains are approximately 0.002 million tonnes per year. Emissions from our own operations include silvicultural work, employee travel, and electricity and heating in offices. Tornator's own forests sequester approximately 4.7 million tonnes of carbon dioxide annually.

GRI standard	Content	Location	Comments
SOCIAL STANDARDS			
GRI 401: EMPLOYMENT (2016)			
401-1	New employee hires and employee turnover	People and society p. 35; GRI content index	In the Finnish organisation, seven new permanent employees started, of whom six were men and one woman. One was under 30 years old and six were in the 30–50 age group.
401-3	Parental leave	GRI content index	Partially reported. In 2025, a total of 182 employees were entitled to parental leave (39 women and 143 men). During the year, 8 employees used parental leave (1 woman, 7 men).
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)			
403-1	Occupational health and safety management system	People and society pp. 34, 38–39	
403-2	Hazard identification, risk assessment and incident investigation	People and society pp. 34, 38–39; GRI content index	In line with the Code of Conduct, those who report concerns do not face adverse consequences for making reports.
403-3	Occupational health services	People and society p. 34, 38	
403-4	Worker participation, consultation and communication on occupational health and safety	People and society p. 34, 38	
403-5	Worker training on occupational health and safety	People and society p. 34, 38	
403-6	Promotion of worker health	People and society p. 34, 38	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People and society p. 38; GRI content index	The existence of occupational health-care agreements is monitored as part of contractor agreement management. Occupational safety aspects are considered in worksite planning and the instructions are communicated to the party performing the work.
403-9	Work-related injuries	People and society p. 36; GRI content index	In 2025, there were a total of 18 work-related injuries, 4 of which involved contractors. The data were collected using a questionnaire sent directly to entrepreneurs.
GRI 404: TRAINING AND EDUCATION (2016)			
404-1	Average hours of training per year per employee	People and society p. 36	
404-2	Programs for upgrading employee skills and transition assistance programs	People and society pp. 33–34; GRI content index	The company has no programmes related to termination of employment.
404-3	Percentage of employees receiving regular performance and career development reviews	GRI content index	The participation rate in performance and development discussions is 100% in all countries where the Tornator Group operates.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)			
405-1	Diversity of governance bodies and employees	People and society p. 36; Board of Directors p. 47; Management Group p. 48	
GRI 406: NON-DISCRIMINATION (2016)			
406-1	Incidents of discrimination and corrective actions taken	GRI content index	No confirmed cases of discrimination.

Tornator Oyj
Einonkatu 6
55100 Imatra, Finland

www.tornator.fi/en

