



 **Tornator**
Green Finance Framework
2026



Background & Rationale

Tornator is a leading European company, which specialises in sustainable forestry and owns forests in Finland, Estonia and Romania. Our business model is based on sustainable use of forests as well as strong environmental expertise and utilisation of digital technologies. 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. Tornator's mission is to generate sustainable well-being from forests.

Tornator's three business areas are **Timber sales:** Sustainable production and sale of timber, **Real estate:** Leasing land for various purposes such as hunting and actively engage in developing wind and solar power projects alongside our partners, and **Services:** High-quality silvicultural services offered to our customers.

Forests are one of the most effective natural solutions for mitigating climate change, acting as carbon sinks and providing renewable raw materials that can replace fossil-based products. Tornator's forests sequester almost as much carbon annually as the total emissions from all passenger cars in Finland. The company actively increases carbon sequestration capacity through fertilisation, increasing mixed-species stands, and using improved seedling material. In 2025, Tornator planted 12 million seedlings in its own Finnish forests—about half a million new trees every day during the spring season. The climate programme aims to increase carbon sequestration by 20% by 2030. Tornator also supports renewable energy development through land leases for wind and solar power projects.

Green finance supports Tornator's long-term strategy of combining economic productivity with environmental and social sustainability. It enables the Tornator to direct capital toward projects that enhance climate resilience, biodiversity, and responsible forest use. The Green Finance Framework also allows for transparency in communicating our sustainability goals to investors and ensuring that financing is aligned with our climate and biodiversity programmes. It reinforces Tornator's role in the green transition and contribution to Finnish society through renewable energy, carbon sequestration, and biodiversity conservation.

Tornator published the first Green Finance Framework in October 2019, aiming to highlight corporate responsibility in both financing and operations. The framework was first updated in April 2023, and now for the second time in April 2026.

Chief Executive Officer

Henrik Nieminen

Chief Financial Officer

Antti Siirtola

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Approach to Sustainability

Tornator is committed to sustainable business through its values (responsibility, expertise, partnership). The company's operations are based on overall sustainability – forests play an important role in both mitigating climate change and protecting biodiversity, and Tornator cares for its forests in a sustainable way, over generations.

Tornator also operates sustainably in terms of people and society at large by taking care of the well-being and development of its staff, and by promoting the sustainability of the entire value chain. Tornator is committed to promoting the UN Sustainable Development Goals.



Tornator's Climate Programme 2021-2030

Tornator's Climate Programme is a long-term strategic initiative aimed at creating a positive climate impact through sustainable forest management.

Tornator's ambitious Climate Programme aims to increase the carbon sequestration of forest stands by 20% and the substitution effects of forest use by 50% during the programme period 2021–2030. The term 'substitution' in this context refers to the use of a material made from wood or energy derived from wood to replace fossil materials or energy sources.

We participate in climate-conscious forestry by increasing the growth rate of growing stock, decreasing carbon emissions from soil and enabling the use of both wind power and wood raw material – a renewable source of energy – to replace fossil fuels. Tornator also promotes the use of wind and solar generated electricity and leases its land for the construction of wind farms.

Climate Program 2021–2030 and the progress in 2025:

- ✓ Increase the carbon sequestration of forest stands by 20%
- ✓ Increasing the substitution effects of forest use by 50%

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

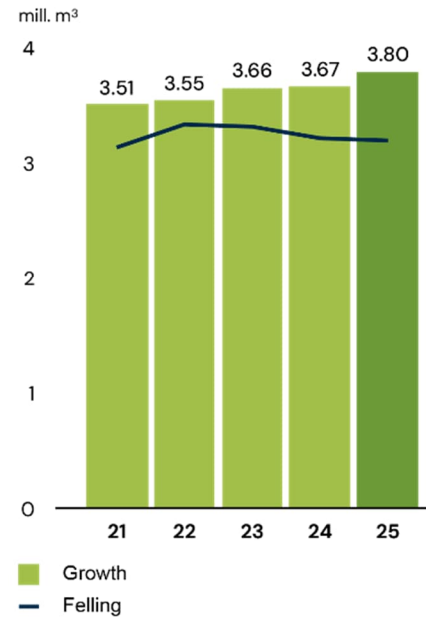
Tornator Green Finance Framework

The Climate Programme improves the viability of the forests, and the growth of the forest stands and thus increases carbon sequestration through several measures. Concrete actions include fertilising forests, utilising bred saplings, and preserving rich and diverse forest stands. Climate-friendly forestry methods also include using genetically improved more resilient nursery stock and properly targeting and timing of felling and management operations. Soil carbon dioxide emissions are mitigated by restoring natural sites unsuitable for wood production. Climate actions are supported by the substitution effects, which refer to the use of renewable wood materials or energy derived from wood to replace fossil-based alternatives.

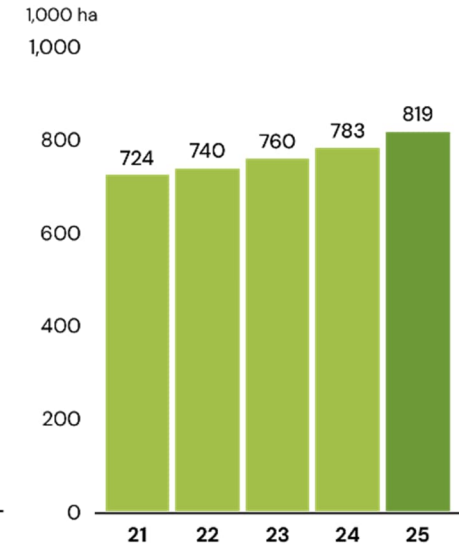
By the end of the programme period, the goal is to have over one hundred wind turbines running on Tornator's lands to replace the production of fossil energy. The implementation of the Climate Programme is monitored annually as part of Tornator's corporate responsibility reporting. The increase in carbon sequestration is tracked through improvements in forest growth, while substitution effects are assessed based on increased felling opportunities and wind power capacity.

The implementation of our actions to safeguard the environment and the achievement of our targets are monitored annually as part of our reporting on our corporate responsibility.

GROWTH AND FELLING IN TORNATOR GROUP'S FORESTS



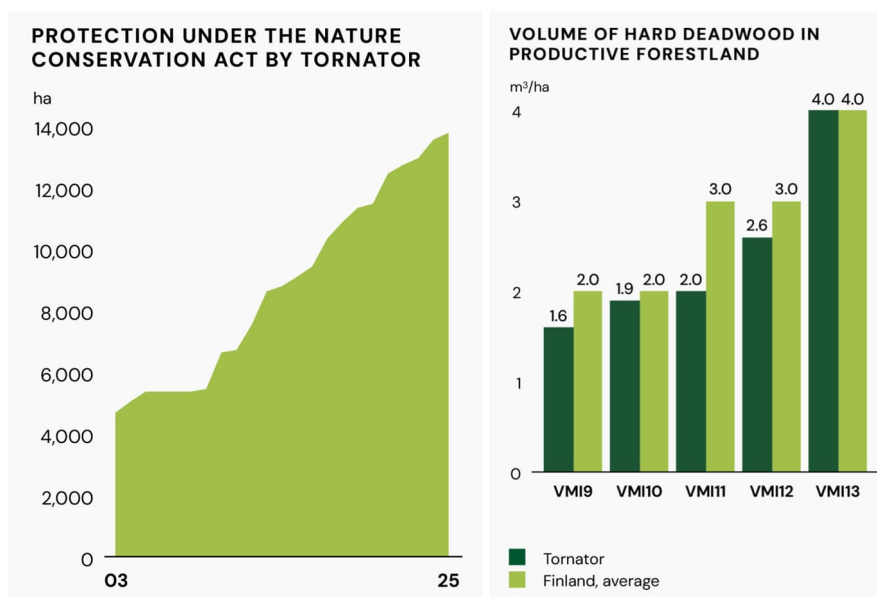
DEVELOPMENT OF TORNATOR'S FORESTLANDS



Tornator’s Biodiversity Programme 2021-2030

The goal of Tornator’s Biodiversity Programme is to safeguard and increase the biodiversity of forests by introducing new measures, increasing the amount of active nature management and the protection of valuable areas, continuing with the effective stakeholder cooperation, as well as monitoring the biodiversity effects of the measures.

Measures under the Biodiversity Programme not only improve the status of endangered forest species and habitats, but also promote ecosystem services and water protection, game management and mitigation of climate change.



Biodiversity Program 2021–2030 and the progress in 2025:

- ✓ We will restore 3,000 hectares of mire habitats
 - Situation in 2025 (cumulative): **2,243 / 3,000 hectares** of restored marshland
- ✓ We will take 200 active measures to improve forest and aquatic habitats
 - Situation in 2025 (cumulative): **131/200** of completed forest and aquatic habitat management sites
- ✓ We will protect 5,000 hectares of valuable natural sites
 - Situation in 2025 (cumulative): **3,843 / 5,000 hectares** of new private nature reserves and forestry areas sold to the state as nature conservation areas
- ✓ We will introduce protective thickets for forest species in forest management practices
- ✓ We ensure the continuity of deadwood in our forests
- ✓ During the program period, we will develop the peatland forestry towards more environmentally friendly by continuous cover forestry and the use of rotary tiller like peat soil preparation machine
- ✓ During the program period, we will update our forest management guidelines to increase the amount of mixed stands
- ✓ We will use biodiversity indicators to monitor the condition of forest nature

To improve biodiversity, Tornator is developing its silviculture guidelines to increase tree species mixing. This supports forests’ resilience to destruction and climate change, as well as goals related to biodiversity and game management.

Tornator’s collaboration with WWF

Tornator is collaborating with WWF to develop water protection in forestry during the years 2025–2027. The cooperation involves reviewing current water protection practices in forestry, existing water protection data, and forest planning tools.

The primary objective is to mitigate the adverse impacts of forestry on water systems. The initiative aims to enhance Tornator’s current planning model into a more effective regional water protection framework and to clearly demonstrate to key stakeholders how the condition of Finland’s water bodies can be improved and restored. In addition, the regional planning model developed through this collaboration can significantly enhance the effectiveness of water protection at the scale of entire catchment areas.

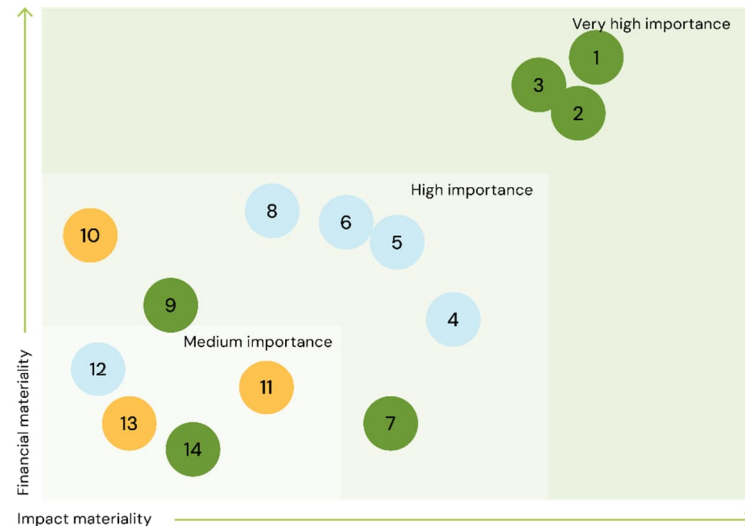
The company has been a WWF partner since 2022. During 2022–2024, the “For Forest Streams” collaboration focused on restoring small water bodies located mainly in forests toward their natural state.

Materiality analysis

Tornator has identified key sustainability issues through a double materiality analysis.

In the latest materiality analysis conducted in 2025, biodiversity, climate change mitigation and climate change adaptation were identified as the most material topics for Tornator. This further highlights the importance of the ongoing work on Tornator’s Climate and Biodiversity programmes.

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 |

Governance and Forest Management Principles

The company is committed to sustainable operations through both its internal and external principles.

Our Code of Conduct is vital in determining how we operate. We also require our partners to operate ethically. The Code of Conduct is complemented by Tornator's various operating policies and guidelines concerning governance, the environment, and data security and data protection.

At the Group level, the coordination and guidance of corporate responsibility is the job of the CEO, assisted by the Management Group and the Corporate Social Responsibility Manager. The implementation of corporate responsibility is ensured by internal control of the various functions as well as through external and internal auditing. Tornator's Board of Directors has approved the objectives and measures included in the Climate Program and the Biodiversity Program, both launched for 2021-2030 and are provided with reports on the progress of the programs at least annually. The Management Group monitors and coordinates the implementation of the program in the company's business processes. The company also systematically monitors the quality of forest management and other measurable indicators related to carbon sequestration.

Tornator's forest management and the forest management plan are based on a 100-year planning horizon. The aim is to always leave the forest to the next generation in a better condition than it was. The company complies with the legislation of the



countries where it operates, as well as the PEFC and FSC® forest certification criteria.

Tornator has identified that the frequency of natural disasters due to climate change pose an ever-greater risk to the forest assets. More information about the climate-related risks and opportunities that Tornator has identified in the short, medium and long term can be found in Tornator's Annual Reports and Website.

EU Taxonomy

Although Tornator is not within the scope of the Corporate Sustainability Reporting Directive (CSRD) and is not obligated to report or verify EU Taxonomy alignment, the company upholds its commitment to sustainability and continues to follow the developments EU Taxonomy recommendations.

The relevant EU Taxonomy Activity for Tornator is 1.3 Forest Management, and the corresponding NACE classification A2 Forestry. The applicable technical screening criteria is integrated into sustainability and green financing practices, through for example adhering to internationally recognized certifications such as FSC and PEFC.

FSC Licence codes:

Finland FSC-C123368, Estonia FSC-C132610, Romania FSC-C132426

Green Finance Framework

This Green Finance Framework (“The Framework”) has been developed in accordance with the Green Bond Principles (GBP)¹ 2025, as well the Green Loan Principles (GLP)² 2025. Tornator may under this framework issue green debt instruments including green bonds, green loans and green commercial papers.

The Green Finance Framework has been developed to be aligned with the core components of the GBP and GLP:

1. Use of Proceeds (UoP)
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

S&P will provide a Second Party Opinion on this Green Finance Framework, which will be made publicly available at Tornator’s website.

Use of Proceeds

The proceeds from Tornator’s issuances of Green Debt Instruments will exclusively be used to finance and/or refinance, whole or in part Eligible Assets and Projects within Tornator, its subsidiaries, or any acquired entities.

Proceeds will finance Eligible Assets and Projects according to this framework in part or in full that identifies and manages environmental and



societal risks as determined by Tornator within the sustainability policy. The proceeds raised based on this Green Finance Framework can be applied towards new and existing capital expenditures, assets, R&D, and acquisitions, such as facilities, tools, processes and machines according to the eligibility criteria in this framework. Asset acquisitions, capital expenditure and R&D costs will be allocated based on investment costs. The proceeds can also be allocated to selective operational expenditures that increase the lifetime or value of assets. The allocated assets and projects are such that promote environmental and societal benefits. Tornator identifies and manages potential social and environmental risks, as outlined within Tornator Code of Conduct, Responsibility Statement and other guidelines and instructions available on company website. Green Debt Instruments issued under this framework will be referenced in the associated legal document.

To guarantee that all Eligible Green Assets and Projects provide environmental benefits, Tornator will ensure that they fall into and comply with at least one of the Eligibility Criteria set out in the Eligible Green Categories below. Each of the Eligible Green Categories are mapped to the relevant UN Sustainable Development Goals as well as EU environmental objectives. In addition, Tornator will ensure that the Eligibility Criteria of the Eligible Green Asset and Projects are consistent, where relevant, possible and on a best effort basis, with the EU Taxonomy Regulation eligibility criteria and the Delegated Acts on Climate Change Mitigation and Adaptation adopted in June 2021 (the EU Taxonomy).

¹ Green Bond Principles, established by the International Capital Markets Association (ICMA), [Green-Bond-Principles-GBP-June-2025.pdf](#).

² Green Loan Principles, established by the APLMA, LMA and the LSTA, [Green Loan Principles - LSTA](#).

The Criteria for Eligible Green Assets and Projects

Sustainable Forest Management		UN SDGs
ICMA Green Project Category:	Financing of environmentally sustainable management of living natural resources and land use, and Financing of terrestrial and aquatic biodiversity	
Substantial Contribution to EU Environmental objective:	The protection and restoration of biodiversity and ecosystems and Climate change mitigation	15.1 15.2 15.A 15.B
Use of Proceeds Criteria:	<p>Financing of new and existing forestland and environmentally responsible and socially beneficial management of natural systems, where the forest land is certified (or will have a certification within 12 months) in accordance with Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certification (PEFC).</p> <p>The environmentally responsible and socially beneficial management of natural systems includes, but is not limited to nurseries, harvesting, silvicultural operations, pre-commercial thinning, restoration of native forests, R&D with a positive environmental impact, restoration of native forest and conservation of biodiversity.</p> <p>The conservation, preservation and/or restoration of nature and biodiversity, as well as natural habitat and ecosystems including, but not limited to:</p> <ul style="list-style-type: none"> - Reforestation and restoration of damaged habitats, <ul style="list-style-type: none"> o Reforestation (e.g. disused peat production areas, agricultural lands or power lines) o Restoration of mire habitats back to carbon storage o Improvements to forest and aquatic habitats - The conservation of forests and woodlands, - Protection and preservation of biodiversity and natural ecosystems: <ul style="list-style-type: none"> o Investments to improve the protection of key biotopes and natural sites o Introduction of protective thickets for forest species in forest management practices o Nature management measures to ensure the volume of deadwood in commercial forests o Improvements to mixed stands to enhance biodiversity by increasing the number of species and individuals in the forest o Expenditures to improve water quality by ensuring water protection and restoring small waters 	 6.6

Exclusions

This framework will exclude investments directly related projects for which the purpose is fossil energy production, harmful resource extraction, or energy peat production.

Some 500 hectares of Tornator forest holdings is leased for energy peat production, comprising less than 0,1% of Tornator's forest land. The peat extraction in these areas is very limited. In international classifications peat is often classified as fossil fuel, although it is a clearly younger fuel than coal, lignite, natural gas and fuel oils refined from crude oil and not classified as fossil fuel in Finland (VTT, Statistics Finland). However, Tornator will not use the proceeds for energy peat production but for example, reforestation of disused peat production areas back to carbon sinks.

In addition, Tornator is committed to having effective control mechanisms in place to avoid illegally harvested wood, wood harvested in violation of human rights (for example child labour), wood harvested forests in which high conservation values are threatened by management activities, wood harvested in forests being converted to plantations or non-forest use and wood from forest in which genetically modified trees are planted.

Financing and Refinancing

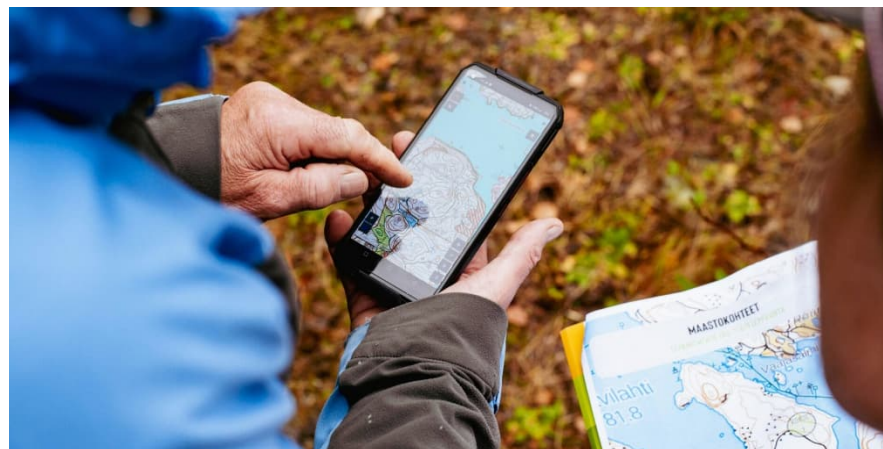
Proceeds can finance both existing and new Eligible Green Assets and Projects financed by Tornator.

Financing is defined as allocation of the proceeds of the issuance of Green Financing Instruments to fund current and future Eligible Green Assets and Projects which have been, or will be, taken into operation on or after one year before the date such asset is approved by the Green Finance Committee.

Refinanced assets are defined as those assets taken into operation one or more years before such assets were approved by the Green Bond Committee, provided that at the time of issuance they follow the eligibility criteria listed in this framework.

The distribution between new financing and refinancing will be reported in Tornator's annual Green Finance Investor Letter. Operating expenditures qualify for refinancing with a maximum three-year look-back period before the issuance year of the Green Bond. Green assets shall qualify without a specific look-back period if, at the time of issuance, they follow the eligibility criteria. When investments take place over several years the total investment might not fully be reported at once.

Tornator intends to allocate the proceeds from Green Finance Instrument at the earliest convenience and to the extent it is possible to reach full allocation within two financial years. Information about the split between financed and refinanced assets will be included in the annual Green Finance Investor Letter.



Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the Assets and Projects financed by Green Finance Instruments meet the Eligibility Criteria set out in the Use of Proceeds section.

To ensure that proceeds from Green Debt Instruments are allocated to assets aligned with the criteria of this Green Finance Framework Tornator has established a Green Finance Committee (“GFC”) to coordinate, validate, perform and review the selection of Eligible Green Assets and Projects. The GFC consists of the Chief Financial Officer, the Environmental Manager and the Head of Corporate and Social Responsibility, and it may consult other internal stakeholders as necessary. The work is guided by the Code of Conduct, which takes into account social and environmental risks and impacts of the project or asset.

The Eligible Green Assets and Projects will be selected through consensus, with all members having opportunity to veto. The GFC meets at least annually or when appropriate.

The main responsibilities of the Green Finance Committee include but are not limited to:

1. Evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of Proceeds section
2. Ensuring that the pool of Eligible Assets is aligned with the categories and criteria as specified in the Use of Proceeds section and removing Assets and Projects that do not meet the criteria.
3. on a best effort basis, reviewing and updating the Green Finance Framework to reflect changes in Tornator’s strategy, technology, and market or regulatory developments.

4. Developing the Green Finance Investor Letter.
5. Monitoring the changes related to the sustainable finance markets in terms of disclosure and reporting requirements.

The GFC follows the process below when selecting and evaluating projects for the Eligible Assets and Projects.

1. Identification of new potential eligible assets.
2. Evaluation against eligibility criteria.
3. Approval by the Tornator Green Finance Committee
4. Continued tracking of eligibility by the GFC to make sure they remain aligned with the eligibility criteria in this Framework.

Management of Proceeds

Tornator maintains a Green Register with the purpose of monitoring that assets and projects financed by Green Finance instruments will be entirely allocated to Eligible Green Assets and Projects.

Tornator intends to allocate the proceeds of the Green Debt Instrument at the earliest convenience and commits on a best effort basis to reach full allocation within two years after the issuance.

Unallocated proceeds will be held in accordance with Tornator’s liquidity management policy and managed as such. Relevant information regarding the issuance of Green Finance Instruments, as well as Projects and Assets financed/re-financed will be monitored and documented. The balance of the proceeds will be checked at least annually to account for any need to re-allocate proceeds which no longer fulfil the Eligibility Criteria. The Green Register will form the basis for the impact and allocation reporting.

Reporting

Tornator is committed to transparent allocation and impact reporting on any relevant Green Finance Instrument.

Over the duration of outstanding Green Debt Instruments, Tornator will publish a Green Finance Investor Letter on the allocation and impact of the Green Debt Instruments issued under the Green Finance Framework. Where relevant, Tornator will seek to align the reporting with the latest standards and practices as identified by ICMA in the Handbook Harmonised Framework for Impact Reporting.

The Green Finance Investor Letter will provide information on the allocation of the proceeds of Green Finance Instruments and the environmental impacts of Green Finance Projects financed by the instruments. The Green Finance Investor Letter will, to the extent feasible, also include a section with methodology, baselines and relevant impact metrics. The information will be made publicly available on Tornator's website.

If competitive considerations, or a large number of underlying Assets and Projects limit the amount of detail that can be made available Tornator may present information in generic terms or on an aggregated basis.

In addition to Green Finance Instruments issued by Tornator in the capital market, the company may have bilateral Green Loans provided by lending institutions. Where a green loan takes the form of one or more tranches of a loan facility, each green loan tranche shall be clearly labelled and tracked. Green Loans taken by Tornator may be provided by lending institutions that finance these by issuing Green Bonds. Tornator will report the aggregate amount of Green Loans taken and specify each Eligible Asset that has been

financed by a Green Loan in a separate section of the Green Finance Investor report.

Allocation Reporting

The Green Finance Investor Letter will provide information on the allocation of green debt instruments issued under this framework.

The Green Finance Investor Letter will, to the extent feasible, include the following components:

1. A list of all Eligible Green Assets and Projects funded, including amounts allocated to each category as defined in the Use of Proceeds section.
2. The relative share of new financing versus refinancing.
3. A closer description of some of the Eligible Assets and Projects financed.
4. Geographical distribution.
5. The amount of unallocated proceeds.

Impact Reporting

Tornator recognizes the importance of transparency and impact reporting and will strive to report on the actual or expected environmental impact of the investments financed by Green Finance Instruments according to the proposed metrics outlined in the table below.

The metrics may be adjusted over time to maintain their relevance in assessing impact. If the actual impact of an Eligible Project or Asset cannot be systematically measured and reported (e.g. R&D), or proves unreasonably difficult to establish, Tornator will seek to provide information on the estimated positive impact of the financed activities.

Category	Examples of impact indicators
<p>Sustainable Forest Management</p>	<p><u>Priority indicators:</u></p> <ul style="list-style-type: none"> - Allocated land area certified by FSC and PEFC (ha) - Annual cut (m3) - Carbon sequestration (tonnes of CO2) - Land area of continuous cover forest (CCS) (ha) <p><u>Other potential indicators:</u></p> <ul style="list-style-type: none"> - Portion of Finnish forests - Progress of Tornator’s Climate program: substitution effects - Additional information of climate effects from Tornator’s whole supply chain - Established conservation areas - Amount of broadleaved trees and aspens - The volume of deadwood - Structural variation in forests - Number of forest and aquatic environment management projects - The number of conservation areas (ha) and the number of habitats (pcs)

External Review

Second Party Opinion (pre-issuance)

Tornator has appointed S&P as an external reviewer to provide an independent, ex-ante Second Party Opinion on Tornator’s Green Finance Framework.

This will be done in accordance with the Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews developed by the Green and Social Bond Principles, the full Second Party Opinion and this Framework will be publicly available on Tornator’s website.

External verification (post issuance)

On an annual basis, Tornator will engage an independent external auditor to provide an external verification on allocation reporting, until the proceeds of the Green Finance Instrument have been fully allocated.

This will confirm that the allocation has been carried out in all material respects in compliance with the Eligibility Criteria set forth in this Framework. The Green Finance Investor Letter and the related limited assurance report will be available on Tornator’s website.