

Your supplier of value

SUSTAINABILITY REPORT 2022



Algol Group Sustainability Report 2022

In this first Algol Group Sustainability Report, we present a summary of our actions and results for 2022, as well as our short-term targets. We focus in this report on companies wholly owned by Algol, and for this reason Suomen Unipol Oy is not included. In addition, the stakeholder survey and materiality assessment for Histolab Products AB, which operates in Sweden, will be conducted only in 2023. Therefore, the company is only partially included in this report.

Our Sustainability Report has been compiled with reference to the GRI Standards (Global Reporting Initiative). The general disclosures comply with the GRI 2021 Standards, while the other contents comply with the GRI 2016 Standards. Our GRI Content Index and further information about our reporting principles can be found at the end of the report and on the Algol website at www.algol.fi.

Espoo, April 2023

Contents

| | | | | | |
|---|----|---|----|---|----|
| ALGOL GROUP | 4 | OUR BUSINESSES | 17 | ENVIRONMENT | 35 |
| Family ownership provides longevity and stability | 4 | Our subsidiaries in many different sectors | 18 | We develop our practices and guidelines continuously | 36 |
| Story and purpose | 4 | More systematic sustainability work | 20 | Work begins on mapping the Group's carbon footprint | 36 |
| Our Values | 5 | UN Sustainable Development Goals | 22 | Energy consumption | 37 |
| Group structure | 6 | Sustainability targets for 2022-2024 | 23 | Emissions and transportation | 37 |
| | | Five sustainability themes | 23 | Waste handling | 38 |
| | | Algol Chemicals' targets | 24 | | |
| A MESSAGE FROM THE CEO | 7 | Algol Technics' targets | 25 | REPORTING PRINCIPLES | 39 |
| | | Group healthcare business | 26 | | |
| SUSTAINABLE ALGOL | 8 | | | GRI INDEX | 40 |
| Managing sustainability | 9 | PERSONNEL | 28 | | |
| More systematic management of sustainability | 9 | Algol Group as an employer | 29 | CONTACT INFORMATION | 47 |
| Code of Business Conduct | 10 | "Responsible Summer Job" campaign | 30 | | |
| External audits | 10 | Working remotely and at the office | 30 | | |
| Whistleblowing channel | 11 | Visible role of employees in sustainability targets | 30 | | |
| Interaction with our stakeholders | 11 | Annual employee satisfaction surveys | 30 | | |
| Supplier Code of Business Conduct and supplier evaluation process | 12 | Diversity, equality and ethical operations | 31 | | |
| A responsible corporate citizen | 13 | Training and development | 31 | | |
| Profitable operations create the basis for continuity | 13 | Our digital learning environment, eAcademy | 32 | | |
| Risk management | 13 | Occupational health and safety | 33 | | |
| Algol's tax footprint | 13 | Safety work protects employees | 33 | | |
| Different sectors provide stability | 14 | Active occupational health and safety activities | 34 | | |
| Active in society | 15 | Maintaining health and work ability | 34 | | |
| We continuously develop data protection and information security | 16 | | | | |



Algol Group

Algol is a Finnish family-owned business and a multi-branch company, which has been active in international trade since 1894. The Group companies import and sell products for industry and the healthcare sector. The Group comprises Algol Chemicals, Algol Diagnostics, Algol Technics, Algol Trehab and Histolab Products, all of which are 100 percent owned by the parent company. In addition, Algol has a 75 percent holding in Suomen Unipol. The Group is present in ten different countries.

FAMILY OWNERSHIP PROVIDES LONGEVITY AND STABILITY

Algol's operations began in 1894 by importing industrial goods, such as metal products, technical components and chemicals. In 1899, the company's founder Albert Goldbeck-Löwe recruited his cousin Ludolf Bargum, who became a shareholder in 1914. The Bargum family has owned Algol ever since.

Continuing ownership within the family demonstrates a commitment and will to nurture and develop the company, also for future generations. These aspirational goals are manifested in the performance of Algol's active and present owners. Representatives of the owner family have always been strongly involved in the management of the company.

Since 2012, the Group has been led by Alexander Bargum, great-grandson of Ludolf Bargum. Since autumn 2018, ownership has been concentrated in the fourth generation of the family business. The Bargum family owns 100% of all company's shares. The three largest shareholders own 98% of the shares.

STORY AND PURPOSE

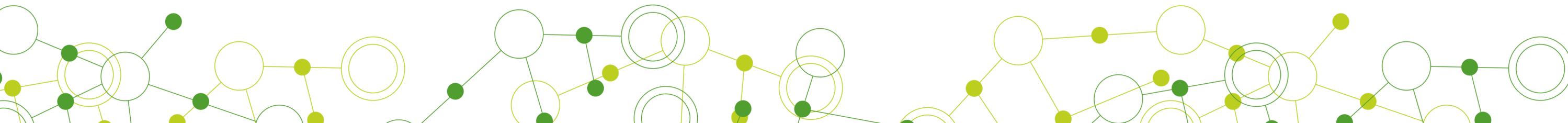
Algol is active in lines of business in which our own contribution, and that of our partners, can have a positive impact on the environment, on health and on safety.

As an active owner, Algol strives to support and develop its subsidiaries in various lines of business in a sustainable and profitable manner. Reliability and expertise guide us in everything we do. We want our Group companies to be regarded as the most attractive option as suppliers, distributors and places to work.

We also strive to develop and grow our property holdings and other investments.



// We believe that international trade promotes global understanding, peaceful coexistence and stability.



Our values

All Group companies share the same values:



ACCOUNTABILITY

We care about the success of our customers and other business partners. We take responsibility for our own actions and for Algo's future.



COLLABORATION

We work together, as a team and in relation to all stakeholders, with enthusiasm, respect and commitment.



DEVELOPMENT

We believe in continuous improvement, agility and openness to new ideas.





SUOMEN UNIPOL OY – Algol 75%

GROUP STRUCTURE

The Board of Directors of the parent company Algol Oy is responsible for the governance of the entire Group and the appropriate organisation of its operations. The Board focuses on issues related to its ownership strategy, financing and the use of Group resources.

The starting point of the ownership strategy is that a multi-sector organisation moderates the Group’s risk level. At the same time, the combination of several companies and business

sectors creates versatile growth opportunities. The Group’s subsidiaries operate in sectors where they can enable the business operations of their partners with flexibility and agility on a very broad front. In this way, we are not overly dependent on the development of any individual sector.

The strategy is based on the principle of continuity, whereby Group companies are developed on the basis of long-term ownership. However, we also ensure that our structures and management systems take into account the independence, including the operational independence, of each subsidiary.

The implementation of good corporate governance at Algol is supported by the Group’s Code of Business Conduct.

The Algol Group comprised six business units in 2022: Algol Chemicals Oy, Algol Diagnostics Oy, Algol Technics Oy, Algol Trehab Oy and Histolab Products AB, as well as Suomen Unipol Oy.

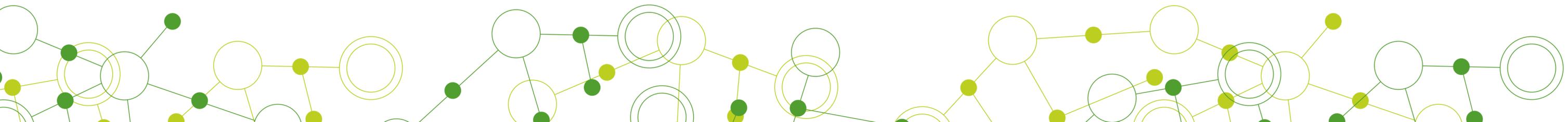
Further details about Group companies can be found in the Our Businesses section on page 17.

BOARD OF DIRECTORS

Kaj Hedvall, Chairman of the Board, D.Sc. (Econ.), M.Sc. (Tech.)

Members of the Board:

- Alexander Bargum, LL.M.
- Johannes Bargum, QBA
- Kenneth Nystén, B.Sc. (Econ.), MBA
- Kristina Pentti-von Walzel, MSc (Econ.), M.Soc.Sc.



A Message from the CEO

The Algol Group’s business continued to develop favourably in 2022. The growth and improvement in earnings were due to strong demand and especially higher raw material prices. Algol Group companies operate in many different sectors and regions, which provides stability also in times of uncertainty.

We expect a stable year for Algol in 2023, despite the uncertain economic outlook. In our view, performance will continue to correspond to our longer-term targets and expectations regarding moderate growth, continuous improvement in our results and strengthening our balance sheet.

More detailed financial information is available on the Algol website.

MAKING SUSTAINABILITY WORK A STRONGER PART OF OUR BUSINESS OPERATIONS

Our business must be not only profitable but also sustainable. We have been doing sustainability work within the Group for a long time, and this work is also an increasingly stronger part of the strategies and day-to-day operations of our subsidiaries. Thorough development will take time, but the work has now begun.

Short-term sustainability targets have been defined for all Finnish companies within the Algol Group for 2022-2024. With clearly defined and measurable goals, we can better ensure the safety and sustainability of all our operations. In addition, we have committed to promoting the UN Sustainable Development Goals in our operations.

The operations of our suppliers and subcontractors must also be made more visible. We have already introduced a Supplier Code of Business Conduct and supplier evaluation process. With this work, we aim to ensure the sustainability of our entire supply chain. In addition, it supports the selection of suppliers that meet the sustainability requirements of our own customers.

FIRST SUSTAINABILITY REPORT FOR THE ALGOL GROUP

The Algol Group has long had an open and active approach to our communications. We believe that openness builds trust. Openness itself is a component of sustainability.

I am therefore very happy that the Algol Group’s first comprehensive Sustainability Report has been compiled. Rarely if ever do we otherwise get to present ourselves this thoroughly. Overall, the report provides an excellent picture of

the kind of company that Algol is and the kind of company that we want to be.

Compiling the Sustainability Report also helps us to view our operations from partly new perspectives, which in turn helps us to develop. At the same time, sustainable operations are often also more efficient, stable and safe. Perhaps even more important is that sustainability creates opportunities and points the way towards future growth.

Regulation related to sustainability issues will become even stricter in the coming years. However, the most important task of this Sustainability Report is not to fulfil regulatory requirements but to promote genuine dialogue among our stakeholders. A wide-ranging and comprehensive understanding of the operating environment and the expectations of the actors in it is needed to support the decision-making of Algol’s owners and management. Algol’s values – accountability, collaboration and development – are well suited to this changing operating environment.



Alexander Bargum
CEO, Algol Oy



Sustainable Algol

| | |
|---|----|
| Managing sustainability | 9 |
| More systematic management of sustainability | 9 |
| Code of Business Conduct | 10 |
| External audits | 10 |
| Whistleblowing channel | 11 |
| Interaction with our stakeholders | 11 |
| Supplier Code of Business Conduct and supplier evaluation process | 12 |
| A responsible corporate citizen | 13 |
| Profitable operations create the basis for continuity | 13 |
| Risk management | 13 |
| Algol's tax footprint | 13 |
| Different sectors provide stability | 14 |
| Active in society | 15 |
| We continuously develop data protection and information security | 16 |



MANAGING SUSTAINABILITY

The importance of sustainable business has progressed by leaps and bounds in recent years. As sustainability has become part of the daily operations and business strategies of more and more companies, the importance of sustainability in creating value for companies has also increased. This applies also to Algol. The next big change will come with regulation, which we are taking into account already in 2023 and which will become increasingly visible in our reporting in the coming years.

The Algol Group has systematically developed its sustainability work for almost ten years. We have published sustainability indicators and stories on the Algol website since 2017. However, we have to make our sustainability work increasingly visible, open and up to date, so that both our personnel and our partners can get reliable information about our operations when they need it. The demand for this has grown significantly in recent years also in business-to-business transactions.

In the past two years, targeted sustainability work has also been carried out among our subsidiaries. The focus of the Algol Group is gradually shifting from HSEQ to a broader and more comprehensive sustainability approach.

Our key sustainability communication channels are the Group's annual Sustainability Report and the websites of Group companies.

MORE SYSTEMATIC MANAGEMENT OF SUSTAINABILITY

Our sustainability work is guided by our values, Code of Business Conduct (CoBC), Health, Safety and Environment (HSE) Policy and Quality Policy. This work is also guided by the guidelines and goals of the sustainability programmes of Group companies. The boards of Group companies make decisions related to sustainable business based on management proposals. The boards ultimately also approve the sustainability programmes, and they discuss sustainability topics annually.

The progress of sustainability targets is monitored by the management teams of Group companies. The Managing Directors of Group companies are responsible for implementing sustainability as part of their own business operations.

The Group Sustainability Manager is responsible for developing and coordinating the Group's sustainability work and supports Group companies in their own sustainability issues. The Group Sustainability Manager reports to the Group's Deputy CEO. Practical work is done within the sustainability organisation, which includes members from all Group companies. Sustainability work is coordinated by the Group Sustainability Manager.

The sustainability organisation also coordinates and conducts annual internal audits in specific areas. Internal audits are conducted both onsite and online.



AMOUNT OF
INTERNAL AUDITS
AT DIFFERENT
SITES **22**



HEALTH, SAFETY AND ENVIRONMENT POLICY

Health, safety and environment (HSE) issues play a key role in our operations. The management of Group companies is committed to complying with and developing our HSE policy. The same is expected from each employee in their day-to-day activities. In our everyday work, this can be seen, among other things, in the following operating principles:



- The facilities, equipment and tools we use are safe and fit for purpose.
- We monitor and prevent occupational accidents and injuries.
- We are responsible for the safety of our products.
- We minimise the harmful environmental impacts of our operations.
- Independent certification bodies audit and verify our HSE system at regular intervals.

QUALITY POLICY

The purpose of the Algol Group's Quality Policy is to continuously improve the quality of our operations. We do what we promise, at the agreed time and in the agreed manner. Our work is right the first time and conducted in accordance with customer expectations.



Our quality operations are based on Algol's Code of Business Conduct (CoBC). Algol's management is committed to complying with our ethical guidelines and continuously developing the quality of our operations, and the same is expected from each employee as well. To further improve the quality of our operations, we have defined issues related to, among other things, confidentiality, employee development opportunities, and the documentation and safe storage of various types of information.

CODE OF BUSINESS CONDUCT

The Algol Group does not accept unethical behaviour from any of our employees or other stakeholders. We strongly condemn bribery, corruption, money laundering and the use of child labour. The Group has a mechanism for monitoring the acceptance of bribes. Our policy and control mechanism concerning bribes are outlined and described in our Code of Business Conduct (CoBC).

The Algol Group reported no cases of corruption or restriction of competition in 2022.

Compliance with the requirements outlined in the Group's Code of Business Conduct (CoBC) is an essential part of the daily activities of each employee, regardless of position. Our digital CoBC training material is mandatory for all Group employees, and its completion is monitored.

In 2022, 82.1% of employees had completed our CoBC training (not including HistoCenter AB). Our target is a 100% completion rate during 2023.

Compliance with our Code of Business Conduct (CoBC) is monitored at all management levels within the Algol Group. Our internal processes, including internal audits, are intended to facilitate CoBC compliance and to identify and correct potential deviations.

EXTERNAL AUDITS

In addition to the internal audits that are the responsibility of our sustainability organisation, external audits of the Algol Group are also conducted. The certification and risk management company DNV evaluates our operations from several different perspectives each year, including occupational health, occupational safety and environmental aspects. Management system audits evaluate the operations of the entire company and can be used to develop them further.

In 2022, DNV spent a total of 11.75 working days on external audits. Within Finland, nine different locations were audited. DNV also regularly audits our locations outside of Finland. During 2022, external audits were conducted at the Algol Chemicals locations in Kvarnatorp, Sweden, and Tallinn, Estonia. In addition, HistoLab Products' locations in Sweden and Norway were audited.

Altogether 15 deviations were recorded. The deviations concerned several different processes. The highest number of deviations was recorded in the internal control process. Correction plans have been drawn up for all deviations, and most have already been processed and closed.



WHISTLEBLOWING CHANNEL FOR BOTH INTERNAL AND EXTERNAL USE

The Algol Group has a whistleblowing channel available to all stakeholders that enables them to report activities that they suspect or observe to be counter to our Code of Business Conduct. The service has been available to all Algol personnel since 2017 and was opened also to customers and other stakeholders in 2020.

In 2022, no whistleblowing notifications calling for investigation were reported.

INTERACTION WITH OUR STAKEHOLDERS

By interacting continuously with our various stakeholders, we are building a strong future together. Our stakeholders are also a significant part of our sustainability work and its management.

A stakeholder analysis and materiality assessment will be conducted at least every two years from 2023 onwards. This process may include a survey of key stakeholders, and it may involve only an internal review or a combination of the above. The assessment methods will be chosen according to the prevailing situation and needs. In the future, the materiality assessment will also take into account the so-called principle

of double materiality: we will aim to evaluate the effects of our business on sustainable development and the effects of sustainability themes on our own business.

Our key stakeholders are our employees, customers, principals and suppliers of goods and services, financing banks and authorities related to our operations.

Stakeholder cooperation is also guided by our values and Code of Business Conduct. Among our values, collaboration means that we work together, as a team and in relation to all stakeholders, with enthusiasm, respect and commitment. Accountability in turn means that we care about the success of our customers and other business partners.

Internal job satisfaction surveys and external customer satisfaction surveys are conducted regularly among Group companies. These surveys aim to measure the success of collaboration on the one hand, and possible wishes and expectations on the other hand. In 2022, customer satisfaction surveys were conducted by Algol Chemicals, Algol Technics and Algol Trehab. Other Group companies will conduct customer satisfaction surveys in the first half of 2023.

In addition to annual customer satisfaction surveys, Group companies also conduct surveys regarding customer training, maintenance and other services.

Customer relations are maintained by regular contact, as well as at various events, meetings and trade fairs. These activities are equally important in maintaining relations with suppliers and principals. In 2022, the Algol Group had 4189 customers in both the private and public sectors.

Algol has many long-term relationships with principals, the longest of which have lasted several decades. In 2022, the Algol Group had 742 principals altogether (not including the principals of Histolab Products).

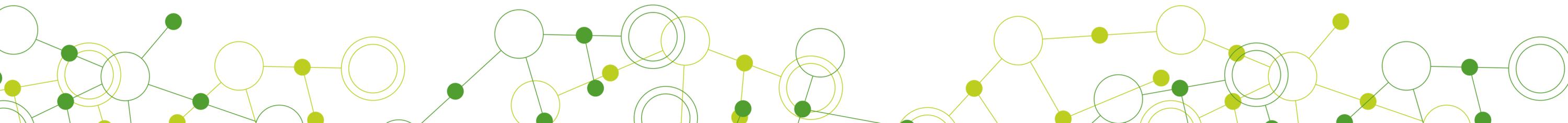
CASE: Collaboration emphasises satisfaction with quality

Algol Technics conducted a customer satisfaction survey in autumn 2022. On the whole, the company received good results, with an overall rating of 4.0/5. The highest scores were given for the quality of operations, as well as the quality of products and services. Customers were also highly satisfied with the general ease of collaboration and the company's ability to keep promises. Areas for improvement included the development of digital services and information about products and services.



CASE: Further increase in customer satisfaction

Algol Chemicals received an overall rating in its customer satisfaction survey of 4.2/5, which is slightly higher than the previous year's result. The highest scores were given for the quality of the products and technical expertise, as well as the service attitude. Based on the survey, reliability best describes the company. Areas for improvement included maintaining contacts and assigning contact persons. Customers also evaluated the company's responsibility, giving a score of 8.3/10.

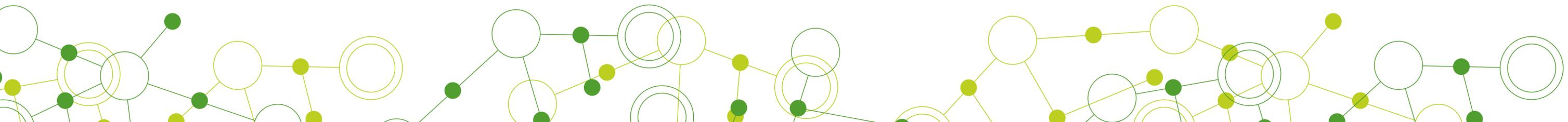


SUPPLIER CODE OF BUSINESS CONDUCT AND SUPPLIER EVALUATION PROCESS

The Algol Group Supplier Code of Business Conduct was introduced in 2021. The document is based on our general Code of Business Conduct, and suppliers and subcontractors must commit to it by signing the document.

In addition to the Algol Group Supplier Code of Business Conduct, a new supplier evaluation process was introduced in 2022. The process is applied both in the selection of new suppliers and in the evaluation of existing suppliers. We evaluate our suppliers from a sustainability perspective and select suppliers for our products who also meet the sustainability requirements of our customers. The process is applied for all suppliers with an annual contract value exceeding €10,000, but it can also be applied for other smaller suppliers.

The supplier evaluation process is based on four separate risk categories that take into account both the supplier's country of origin (origin of products) and the type of product. An ethical risk evaluation is conducted primarily on a supplier basis, not on a product basis.



A RESPONSIBLE CORPORATE CITIZEN

PROFITABLE OPERATIONS CREATE THE BASIS FOR CONTINUITY

The solutions provided by our Group companies improve the quality of industrial production and ensure smooth operations. In the healthcare sector, we promote the conditions for healthy living. The services provided to customers by all Group companies create added economic value, not only for Algol but also for the surrounding society.

Added value is created for employees in the form of wages, salaries and benefits and for owners in the form of dividends. For society, added value is created in the form of payments through various taxes and contributions.

An essential aspect of financial sustainability is that operations are profitable. By operating profitably, we create the basis for continuity, financial independence and the wellbeing of all personnel. The Algol Group strives to increase revenues profitably and thereby improve the operating result. Improving efficiency, managing costs and developing processes are still at the centre of operations.

RISK MANAGEMENT

Risk management is an important part of financial sustainability and a vital aspect of our business management. We continuously monitor risks and threats in all our business operations in order to achieve our targets and ensure the continuity of our operations.

Global mergers and the outsourcing of industrial operations from Finland can lead to the loss of suppliers and customers in all business areas. Management and personnel play a major role in achieving the Group's financial goals in the long term. The availability of skilled labour will become increasingly difficult in the future.

The Group's financing is centralised within the parent company, and the financing of subsidiaries is arranged mainly through loans within the Group. The Group's liquidity is concentrated in its accounts in Finland, the Baltics and Scandinavia. Most of the Group's cash flows are in euros. The Group is exposed to currency fluctuations in the countries in which it operates.

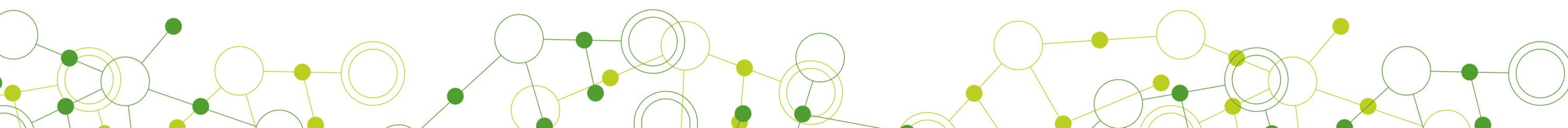
Risks related to the company's operations are covered by damage and interruption insurance.

ALGOL'S TAX FOOTPRINT

The Group's parent company is domiciled in Finland, and the company is 100% owned by natural persons. The parent company directly owns the operational subsidiaries. These are registered in the countries in which they operate.

Algol Group is a responsible taxpayer. Algol's ownership and financing arrangements are simple and transparent. We comply with all applicable laws and guidelines in our operations. The Group pays taxes in the country where the profit is generated. The Group's main banking partner in Finland is Osuuspankki.

Anti-corruption and bribery measures are defined in the Group's Code of Business Conduct.

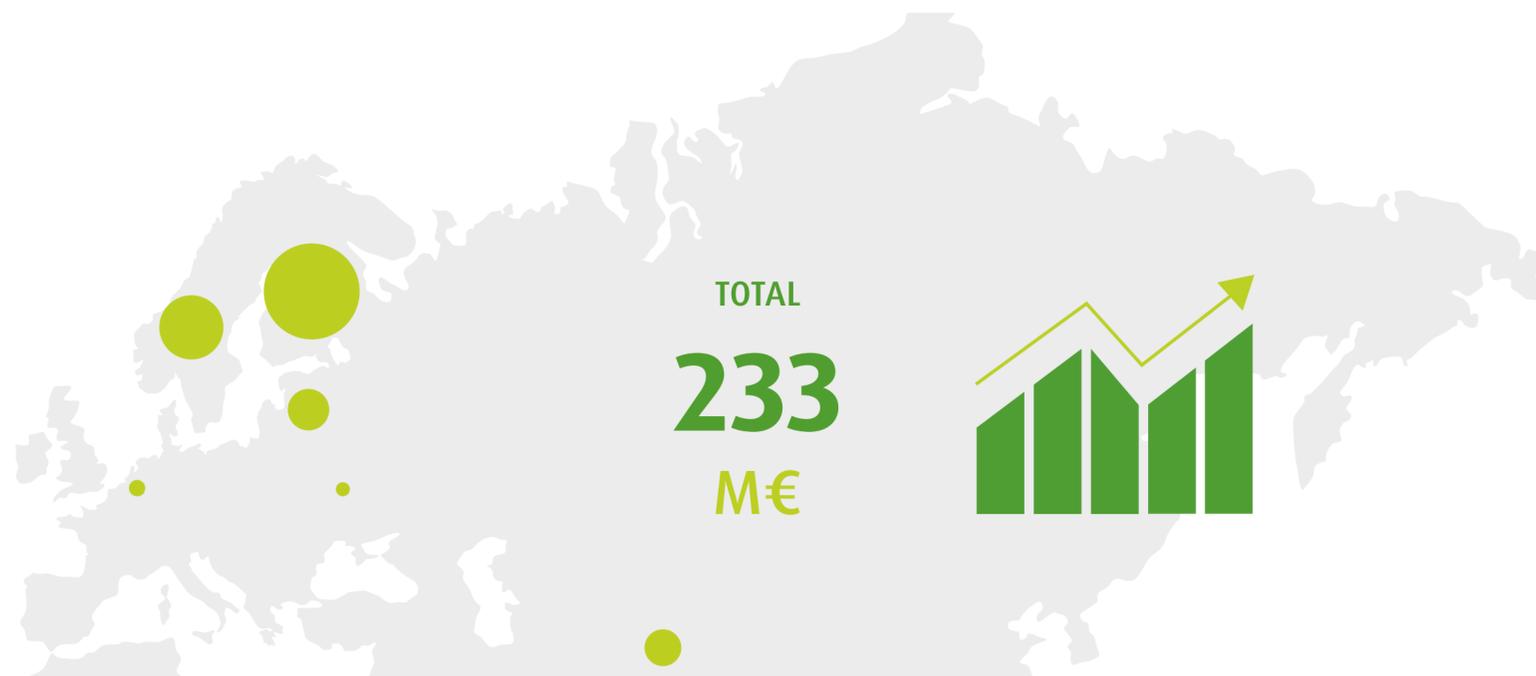


TURNOVER BY AREAS (M€)

Turnover by areas in 2022.

| | |
|----------------------------|---------|
| Finland | 126 741 |
| Scandinavia | 56 736 |
| Baltics | 23 694 |
| Other EU countries | 3 673 |
| Ukraine and Belarus | 2 716 |
| Russia* | 1 103 |
| Other countries outside EU | 18 652 |

*No revenues were generated in Russia after July 2022.



| | |
|-------------|---------------|
| EBIT | EBITDA |
| 11.7 | 14.1 |
| M€ | M€ |
| ROE | ROI |
| 27 | 28.2 |
| % | % |

DIFFERENT SECTORS PROVIDE STABILITY

Consolidated net sales in 2022 amounted to €233 million. The majority of consolidated net sales was generated in Finland, Scandinavia and the Baltics. Algol Group companies operate in many different sectors and regions, which provides stability also in times of uncertainty.

The total amount of taxes and tax-related payments in 2022 was €8.17 million. Corporate taxes and social security and pension contributions accounted for €6.3 million.

The Algol Group’s annual report and financial statements can be found on the Algol website at www.algol.fi.

PERSONNEL'S SALARIES AND BENEFITS

Personnel's salaries and benefits during 2018-2022.



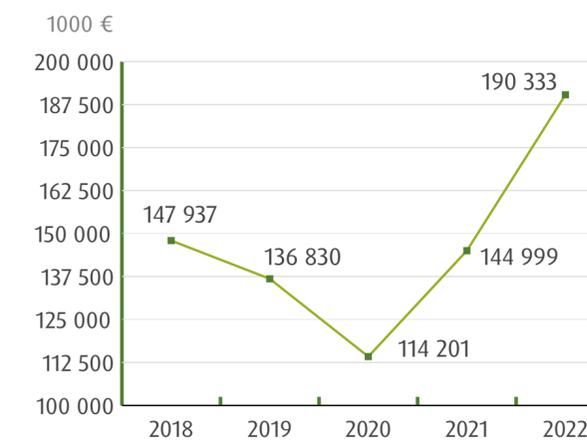
PAID DIVIDENDS

Paid dividends during 2018-2022.



PURCHASED ITEMS, MATERIALS AND SERVICES

Purchased items, materials and services during 2018-2022.



// It is important that the business community is involved in supporting culture and the arts and funding excellence. High-quality research and teaching are also vital in terms of our own operating environment and long-term success

- Algol Group CEO Alexander Bargum

ACTIVE IN SOCIETY

Algol is active in economic life and society more broadly. The company or its representatives hold important positions of trust in several business and industry associations, as well as non-profit organisations. The company’s main cooperation bodies and organisations in Finland are the Federation of Finnish Industries (EK), the Finnish Commerce Federation, the Finnish Chamber of Commerce, the Finnish Family Firms Association and the German-Finnish Chamber of Commerce. In addition, Algol is a member of the Association of Finnish Technical Traders and Technology Industries of Finland. Algol is also a member of the Finnish Business & Society (FIBS) corporate responsibility network.

Each year, the Algol Group makes annual donations to many non-profit organisations to support humanitarian aid, environmental protection, the arts and university education. In 2022, we donated a total of 113,000 euros, the largest individual causes being helping the victims of the Ukrainian war and the 25th anniversary collection of Arcada University of Applied Sciences.

Algol strongly condemns Russia's unlawful hostilities, and with our donation of 50,000 euros we wanted to support Ukrainians in their fight. Half of the amount was donated to UNICEF’s Ukraine Fund and half to the Disaster Relief Fund of the Finnish Red Cross. We also supported our local employees by securing their financial livelihoods.

The company donated 25,000 euros to Arcada University of Applied Sciences. The donated funds will be used for the procurement of digital solutions and to create innovative learning and research environments. Arcada graduates include experts in economics, technology and healthcare, all of whom are important to Algol Group companies and their customers. The Group has been an active donor to universities and polytechnics also in previous years.

Algol has supported non-profit and humanitarian causes for many years. These include the John Nurminen Foundation’s Clean Baltic Sea Projects, the Finnish Lifeboat Institution, the Finnish Red Cross Disaster Relief Fund, Folkhälsan’s Lucia Collection, Finnish War Veterans and the Crisis Management Initiative CMI. Donations were also made to other non-profit causes during the year.

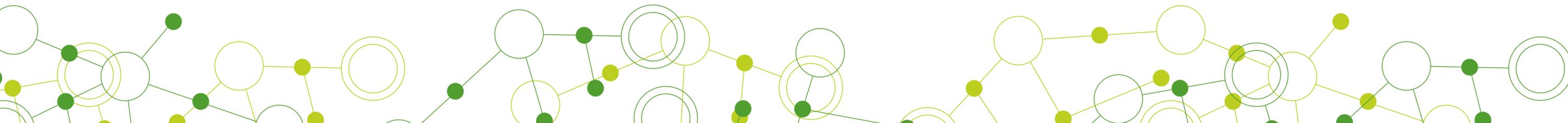
CASE: Young Researcher of the Year Award

Algol Diagnostics Oy is active in the Finnish branch of the International Academy of Pathology (IAP). Finland’s IAP is primarily an organisation for further education in the field of pathology. The organisation plays a key role in developing research, training and laboratory techniques in the field of pathology. Algol Diagnostics has been supporting researchers in the field of pathology for several years by presenting its Young Researcher of the Year Award.



CASE: Algol stipends

Algol receives many requests for small sponsorships each year. Since it is impossible to support everything, let alone prioritise requests, each year we draw three Algol stipends worth 500 euros each from causes suggested by employees. These stipends are available for causes such as a child's sports team, a local dog club or a non-profit organisation that has personal significance for the recipient.



WE CONTINUOUSLY DEVELOP DATA PROTECTION AND INFORMATION SECURITY

Data protection and information security are key aspects of corporate sustainability at Algol. The purpose of information security is to develop and secure the Group’s operating environment in such a way that the effects of human error, technical failure or intentional harm, for example, can be limited and operations restored to a normal situation as quickly as possible. In addition, the purpose is to harmonise the Group’s data protection, information security and cyber security practices.

The Algol Group’s information security policy applies to every employee, supplier, partner and representative of a stakeholder who, within the scope of their work or assignment, processes information that is owned or managed by Algol.

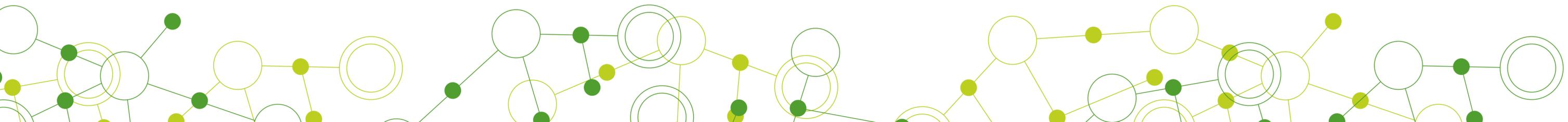
Over the past two years, we have updated our information security policy, developed the use of WLAN networks for mobile devices, and improved the cybersecurity of mobile devices. We ensure that all our employees have mandatory two-step verification enabled on their e-mail accounts.

The increase in remote work has highlighted new aspects of information security. In addition to providing more information security training, we have increased workstation protection and related communications with blogs and articles on our intranet.

The purpose of data protection measures is to protect the privacy of individuals when processing personal data. Within the Algol Group, this means protecting the personal data of customers, employees and other stakeholders with the best possible means. We have an absolute obligation to ensure the appropriateness and processing of the data of all our stakeholders.

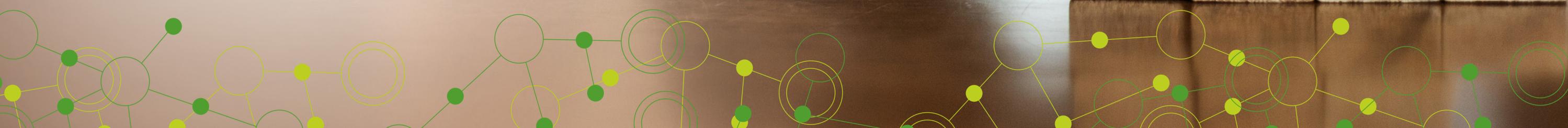
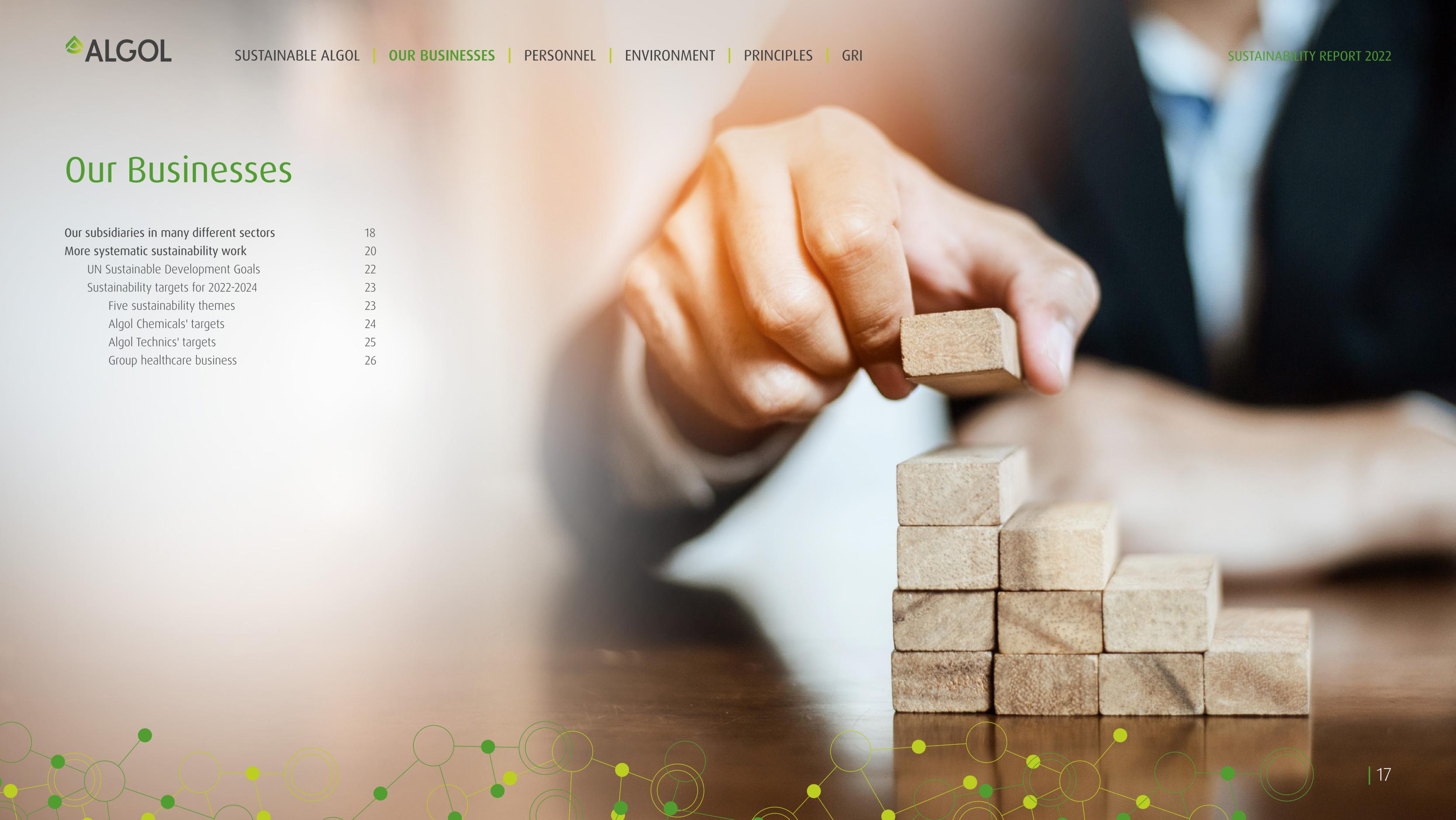
A key aspect of strengthening information security is to improve our general understanding about everything it involves and develop our skills accordingly. During 2022, we further developed the skills of our employees by providing a compulsory basic training course in information security on our online eAcademy platform.

We also provide compulsory GDPR training for employees. The training covers the basics of the General Data Protection Regulation and the rights and obligations of the data controller and the data subject.



Our Businesses

| | |
|--|----|
| Our subsidiaries in many different sectors | 18 |
| More systematic sustainability work | 20 |
| UN Sustainable Development Goals | 22 |
| Sustainability targets for 2022-2024 | 23 |
| Five sustainability themes | 23 |
| Algol Chemicals' targets | 24 |
| Algol Technics' targets | 25 |
| Group healthcare business | 26 |



OUR SUBSIDIARIES OPERATE IN MANY DIFFERENT SECTORS

Algol Group companies operate in many different business sectors and geographical areas. Our companies import and sell products to industry and the healthcare sector. In addition, these companies offer services related to their sectors, including design, customised delivery solutions and installation, maintenance and training services. Algol Chemicals also has its own product manufacturing.

Personnel of the Group's parent company, Algol Oy, provide the individual business functions with the shared services they need. These include among other things ICT services, legal services, financial services and sustainability. In addition, tasks related to social relations and communication, as well as the administrative matters of all Group companies, are handled by the parent company. The parent company employed a total of 28 persons in 2022.

ALGOL CHEMICALS OY offers a wide range of industrial and specialty chemicals, as well as related services, to industrial production processes. The company provides its services to over 3000 industrial companies in Finland, Scandinavia, the Baltics, Belarus, Ukraine and India. The REACH-compliant products of its global partners are supplied to customers from local warehouses.

Algol Chemicals has subsidiaries in several countries. These subsidiaries follow not only common operating procedures but also the legislation of the country in question. The subsidiaries of Algol Chemicals are Algol Chemicals AB (Sweden), Algol Chemicals AS (Norway), Algol Chemicals ApS (Denmark), Algol Chemicals OÜ (Estonia), Algol Chemicals SIA (Latvia), UAB Algol Chemicals (Lithuania), IOOO Algol Chemicals (Belarus), TOV Algol Chemicals (Ukraine) and Algol Chemicals India Pvt. Ltd. (India). In 2022, the company employed 39 persons in Finland and 93 persons outside Finland.

The main markets of Algol Chemicals are Finland, Scandinavia and the Baltics. Competition continues to intensify as several large European distributors have been expanding their operations to these areas as well in order to cover the entire European market. In addition, distribution is increasingly focused either on large, strong actors who cover, for example, the entire European region, or on regional actors whose market covers, for example, all of Northern Europe.

The strength of Algol Chemicals is to be a local alternative for both current and new principals and customers. This is achieved by actively and continuously developing operations and personnel.

The largest long-term organic market growth for Algol Chemicals is likely to be seen in the Indian market, where the company has its own subsidiary. India is undergoing a major

state-sponsored construction boom with heavy investment in infrastructure. This is reflected in the demand for raw materials also at Algol Chemicals.

The current strategy of Algol Chemicals, ACE24, was published at the end of 2021 and covers the period 2022-2024. The strategy comprises several different projects aimed at the excellence of operations and the growth of operations and profitability. The company's individual business functions have their own strategies.

ALGOL DIAGNOSTICS OY imports and delivers automation and robotics solutions, as well as digital solutions, to Finnish healthcare laboratories. The company specialises in clinical pathology and molecular diagnostics products. The company represents leading international brands in Finland. In addition, Algol Diagnostics provides expert services, user training and maintenance services for the equipment it supplies. The company employed 7 persons in 2022.

The laboratory diagnostics market has recently seen mergers between small actors and larger ones. In addition, the concentration of laboratory activities regionally, for example, is expected to continue.

Growth in the market is expected as a consequence of the aging population, which is expected to lead to an increase in sample volumes. In addition, the shortage of personnel in the

healthcare sector may increase the need for automation. In addition to automation, digitalisation and artificial intelligence can facilitate the increasing workload and ever-increasing personalised care in the future. Short-term planning is complicated by the ongoing social security reform, which is currently strongly visible in the Finnish market.

In accordance with its strategy, Algol Diagnostics aims to further strengthen its position in the field of laboratory diagnostics in Finland. In addition, it strives to raise the level of automation, digitalisation and robotisation at clinical laboratories in order to increase the cost-effectiveness of its customers' operations.

ALGOL TECHNICS OY offers solutions and products for material handling and industrial automation. The company is actively part of this change by offering customers intralogistic solutions that encompass cranes, robotics, conveyors and automated warehouses, as well as a wide range of technical products. Comprehensive maintenance and inspection services are also available for the solutions provided by the company. The company employed 238 persons in 2022.

The company's customers have an increasing need to focus on their own core business, which in turn increases the need to outsource operation and maintenance services. This has a positive effect on the company's operations. Sustainability can be seen in the increased need among customers for the safest and easiest-to-use solutions.



CASE: Algol Technics recognised at Boliden Supplier Summit 2022

Algol Technics was recognised after delivering a customised solution to the multinational metals, mining, and smelting company Boliden that combines new approaches to robotics and machine vision. The solution transformed the previously largely manual work into an automated operation, which significantly improves occupational safety, product quality and overall efficiency. Boliden Kokkola: "The company's professional team, ability to adapt to customer needs and innovative way of thinking set it apart from its competitors."



In Algol's field of technical trade, and especially in the business of Algol Technics, we operate in several different customer and product segments, which contributes to reducing business risks. However, risks can be caused, for example, by a shortage of chips related to electronic components or delays in the supply chain.

The current strategy of Algol Technics covers the period 2021-2025, and its goal is to enable customers to focus on their core business and improve their productivity. The strategy is based on the company's three core businesses, which are maintenance services, tailored automation and modernisation projects, and field maintenance.

ALGOL TREHAB OY offers a wide selection of assistive devices from leading manufacturers. The company also offers installation and maintenance services for assistive devices. The company trains and serves customers in both the public and private sectors, and it also implements complete projects for actors in both sectors. In addition, the company supplies personal assistive devices to consumers. Algol Trehab is a member of Sailab - MedTech Finland ry and committed to the industry's ethical guidelines. The company employed 21 persons in 2022.

Through genuine encounters and listening, the company helps ensure an independent life for everyone based on their own abilities. For the company, high-quality service and customer focus mean above all that our team is easily reachable and that the product selection offers the best products on the market. The company takes maintenance responsibility for the functionality of these products even years later.

The company works in close collaboration with the public sector. Short-term planning is complicated by the ongoing social security reform, which is currently strongly visible in the Finnish market. It is also typical for small actors to disappear from the market when they merge into larger or part of larger companies. This trend is expected to continue.

Algol Trehab defined a new strategy in 2022. The assistive devices market is expected to grow even faster in the next few years as the population ages. In addition, the life cycle thinking of products brings with it an increase in the need for maintenance. The desire to shorten long supply chains can be seen in the market, as this can achieve both time savings and environmental benefits.

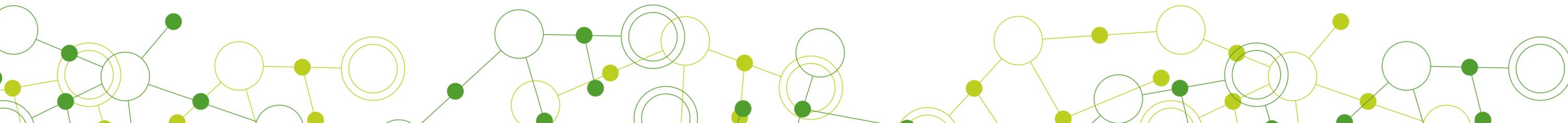
HISTOLAB PRODUCTS AB is one of the leading Nordic suppliers of solutions for cell diagnostics research and clinical laboratories. The company supplies equipment, chemicals and reagents

primarily to pathology and immunohistology laboratories. Histolab Products has offices in Sweden, Norway and Denmark. Histocenter AB is a subsidiary of Histolab Products. The company employed 36 persons in 2022.

Many different regulations are increasingly affecting the entire supply chain for diagnostic equipment. These regulations concern, for example, product certification (IVDR), sustainability in the entire supply chain, and safety data sheets.

In recent years, increasingly sophisticated products and automated instruments have entered the market, the introduction of which has increased the need for capital, not only for suppliers but also for customers. This also requires additional expertise from salespeople and technicians. However, automation also has an opportunity to solve the personnel shortage in healthcare.

In addition, **Suomen Unipol Oy** is part of the Algol Group, which owns 75% of the company. Suomen Unipol imports industrial chemicals and plastics from Poland, for example, for the food, glass, metal, paint, cable, mining and paper industries. Suomen Unipol has operations in Finland, Scandinavia and the Baltics. The company employed 3 persons in 2022. Suomen Unipol is not included in this Sustainability Report.



MORE SYSTEMATIC SUSTAINABILITY WORK AMONG OUR SUBSIDIARIES

Even though sustainability work has been done at the Group level in Algol for a long time, we have recognised that sustainability as part of all our business operations must also be systematic and managed. Developing this work takes time.

In the future, sustainability must be an even stronger part of the strategies and day-to-day operations of our subsidiaries. The sustainability programmes of Group companies should cover not only their own operations but also those of their suppliers and subcontractors.

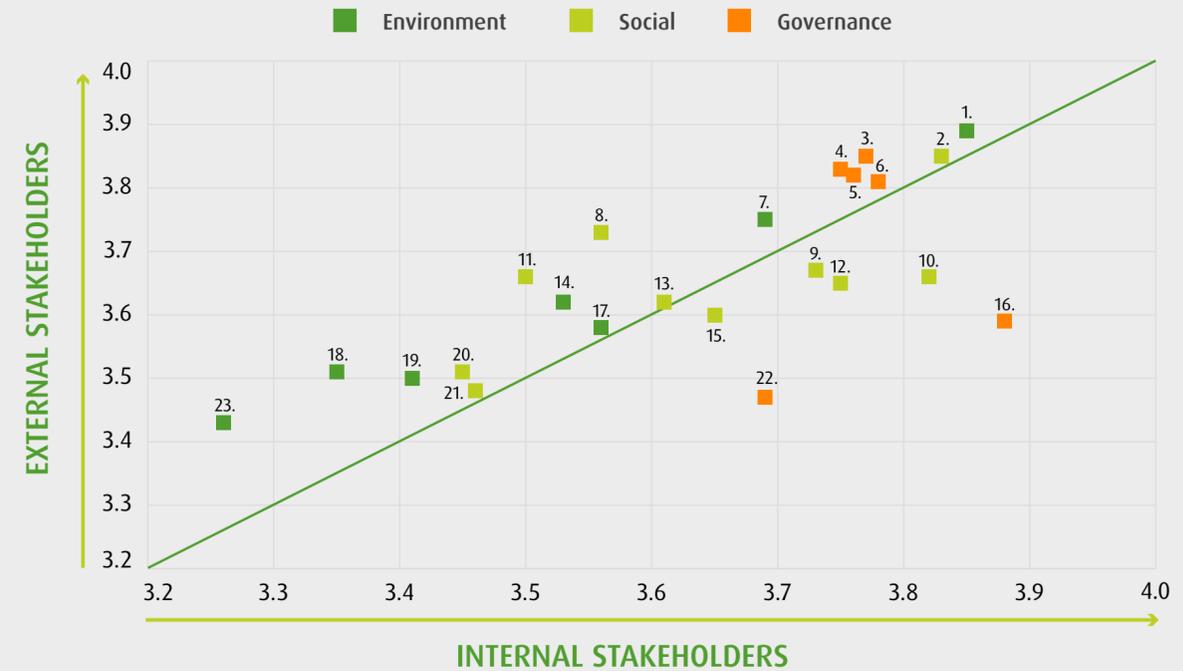
Sustainability criteria are increasingly being included in purchasing decisions, also in the international wholesale trade. We should have even more precise information covering the entire supply chain, as our customers are increasingly asking us for this information.

In connection with this, we have introduced our Supplier Code of Business Conduct, which must be signed by new suppliers before collaboration can begin. In addition, existing customers of Group companies must commit to our Supplier Code of Business Conduct. Also this work has already begun and aims to ensure the sustainability of the entire supply chain. In addition, it helps us select suppliers that meet the sustainability requirements of our customers.

In autumn 2020, we asked both our employees and customers for the entire Group (with the exception of Histolab Products) about which aspects they considered most important in Algol's sustainability work.

The stakeholder analysis and materiality assessment performed on the basis of the sustainability survey provided information about what our stakeholders consider important in our sustainability work and which aspects should be taken into account in the business operations of each Group company from a sustainability perspective.

IMPORTANCE OF CR ASPECTS TO STAKEHOLDERS



Corporate responsibility aspect

1. Product safety.
2. Physical occupational health and safety (e.g. prevention of work-related accidents).
3. Work against black economy.
4. Work against money laundering.
5. Work against corruption and bribery.
6. Taxes and other payments made responsibly.
7. Environmental risks of production sites and distribution (possible chemical leaks, etc.).
8. Ensuring the sustainability of the supply chain (e.g. working conditions and human rights).
9. Coping with work-related stress and mental wellbeing of Algol's personnel.
10. Leadership skills and wellbeing of personnel.
11. Ensuring and supporting clients' corporate responsibility and safety.

12. Competence development of personnel.
13. Privacy policy and information security of clients and personnel.
14. Reduction of waste and compliance with handling instructions.
15. Implementation of equality in the work community.
16. Profitable business.
17. Supply chain traceability.
18. Reducing and rationalising energy consumption.
19. Environmentally friendly products and services.
20. Effect of corporate operations on people and communities around the company.
21. Algol's products that improve health and wellbeing of people (mobility equipment, diagnostics).
22. Provision of financial added value to the stakeholder groups (e.g. salaries paid by the company or acquisitions made by the company).
23. Greenhouse gas emissions and their reduction (e.g. pursuing carbon neutrality).

In addition to product safety, supply chain traceability is becoming increasingly important to Algol's customers. They are also key components of the Group's risk management.

Based on the results of the survey, we began systematic sustainability work among our subsidiaries in spring 2021. This included defining precisely what sustainability means and what it requires in terms of the operations of each subsidiary. In addition, Group companies discussed the typical characteristics of their own business operations, on the basis of which priorities were defined for their sustainability work. Clearly defined and measurable goals help ensure the safety and sustainability of all our operations.

Short-term sustainability targets were defined for all Finnish companies within the Algol Group for 2022-2024. These targets also reference the UN's Sustainable Development Goals (Agenda 2030).

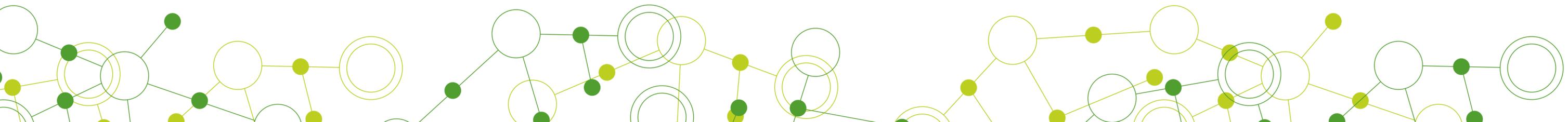
Another stakeholder survey will be conducted in 2023. In this survey, we will focus on the biggest environmental and social impacts of our core business activities. The survey will also help clarify which sustainability themes are most important to our stakeholders.



CASE: Surprises in the materiality assessment

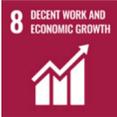
Stakeholder surveys were conducted in the Group in 2014 and 2020. Based on the results of the 2020 survey, product safety remained the most important aspect of sustainability for both our external and internal stakeholders. Correspondingly, greenhouse gas emissions and energy use remained the least important aspects of sustainability. All aspects of sustainability – financial, social and environmental – are still perceived as important, but the order changed. In the 2020 survey, the importance of social sustainability rose above environmental sustainability.

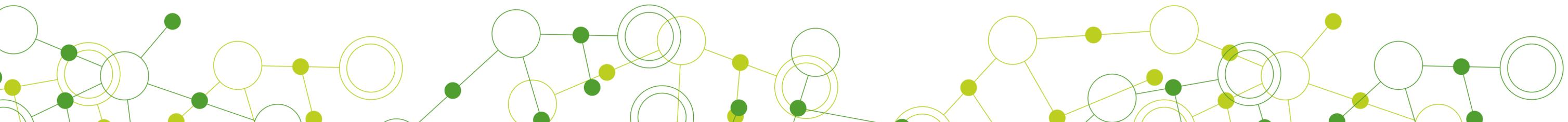
Respondents felt that Algol's financial sustainability and good governance are important. Combating the grey economy and corruption, a new perspective in the survey, was felt to be very important. In addition, the importance of safety in our business is constantly emphasised, which was also evident in the survey. Although the response rate remained low in 2020, we still received important information to support internal development work and the definition of sustainability targets. From 2023 onwards, we will conduct a stakeholder analysis and materiality assessment at least every two years.



UN SUSTAINABLE DEVELOPMENT GOALS

We are committed to promoting the UN Sustainable Development Goals in our operations. According to our assessment, we can have the most influence on six goals. These are related to personnel, the environment and sustainable business operations. Algol Oy, Algol Chemicals Oy and Algol Technics Oy contribute to all six goals, while Algol Diagnostics Oy and Algol Trehab Oy contribute to four of the six goals.

| UN SUSTAINABLE DEVELOPMENT GOAL | COMPANY | CONNECTION TO FOCUS AREAS AND TARGET |
|--|--|---|
| GOAL 3: Ensure healthy lives and promote well-being for all at all ages.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy, Algol Trehab Oy, Algol Diagnostics Oy | Zero accidents, a healthy and functional work community. |
| GOAL 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy, Algol Trehab Oy, Algol Diagnostics Oy | Our online training offerings (eAcademy) allow our employees to develop in such areas as information security and data protection, occupational health and safety, safe work practices and supervisor communications. We also encourage our employees to participate in external training to maintain their professional skills. |
| GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy, Algol Trehab Oy, Algol Diagnostics Oy | We employ almost 500 persons in 10 countries, and we are a stable employer and taxpayer. We participate each year in the "Responsible Summer Job" campaign. By offering satisfying summer jobs, we are doing our part to help young people find their place in working life and society. |
| GOAL 12: Ensure sustainable consumption and production patterns.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy | Algol Chemicals is committed to promoting the use of sustainable palm oil through its membership in RSPO. In addition, the company has entered into cooperation with EcoVadis, an international sustainability rating company. The services of Algol Technics include a lifecycle return analysis, which is used to select the best solution for the customer. Only if the equipment cannot be overhauled or partially modernised will new equipment be proposed. |
| GOAL 13: Take urgent action to combat climate change and its impacts.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy | We have begun to determine the carbon footprint of Algol's business operations. The planning work started in 2022 and will continue with an external partner from 2023 onwards. At our head office in Espoo, we monitor our energy consumption and waste utilisation rate. In addition, we monitor CO ₂ emissions for leasing cars and Algol Technics vans. In the product range of Algol Chemicals, increasing emphasis is placed on so-called Green portfolio products that take into account such aspects as the circular economy and carbon footprint. |
| GOAL 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.  | Algol Oy, Algol Chemicals Oy, Algol Technics Oy, Algol Trehab Oy, Algol Diagnostics Oy | We require both our new and existing partners to commit to ethically sustainable business by demanding compliance with our Supplier Code of Business Conduct. We also use a supplier evaluation process. |



SUSTAINABILITY TARGETS FOR 2022-2024

Five sustainability themes

The Group’s sustainability targets focus on personnel, the environment and responsible business operations. Group targets and results comprise the targets and results of all Group companies. Subsidiaries can also have their own targets.

The Algol Group’s sustainability targets are grouped into five themes:

- Zero accidents.
- A healthy and functional work community.
- Minimised environment impact of our operations.
- Sustainable resource and energy consumption.
- Improved operational quality.

The Group’s personnel targets emphasise safety. In addition to the target level of zero accidents, we have set targets for sickness absences (less than 2%) and investigation time for possible accidents (less than 14 days). We also monitor the accident frequency rate, although no target has been defined for it on the Group level. An accident frequency rate target has been set, however, within Algol Technics.

In addition, we have set targets for preventive measures to achieve our target of zero accidents. The numerical

targets for safety observations and safety walks include the combined number for all Group companies. Our target for safety observations was set to 1460 and for safety walks to 139. We also set a target for safety exercises (2), and the target was realised in 2022.

The theme of a healthy and functional work community has one concrete target: the number of review and target setting discussions. All our employees are entitled to a review and target setting discussion with their supervisor. The target is for 100% of employees to attend review and target setting discussions.

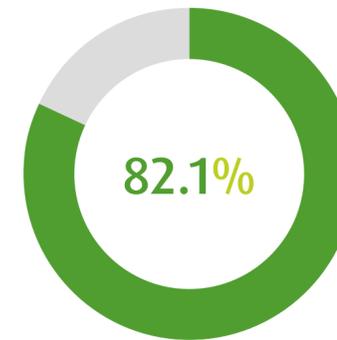
In addition, we monitor and measure several other factors, including the stability of employment relationships and employee turnover.

We also monitor and measure factors related to the environment, although there are currently no Group-level targets for these. For example, we monitor the recycling rate of waste, CO₂ emission values and energy consumption. During 2022, we began defining the data for Scope 1-3 emissions.

Within the theme of improved operational quality, the Group has five targets: Code of Business Conduct training rate (100%), the number of whistleblowing notifications (0) and the processing time for these (less than 14 days), the signature percentage for our Supplier Code of Business Conduct (90%) and ISO-certified locations (100%).

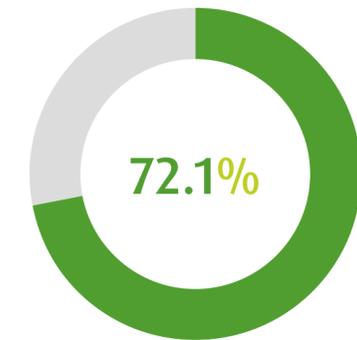
CODE OF BUSINESS CONDUCT TRAINING RATE

Target for the year 2022: 100%



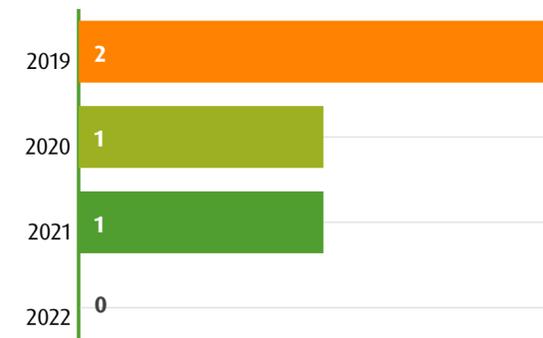
SUPPLIER CoBC TRAINING RATE

Target for the year 2022: 90%



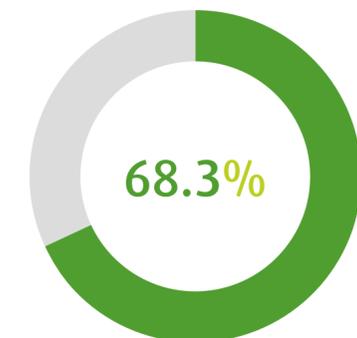
WHISTLEBLOWING CASES

Target for the year 2022: 0.



ISO CERTIFIED SITES

Includes all certificates. Target for the year 2022: 100%.



Algol Chemicals: Product safety and supply chain sustainability at the heart of operations

The sustainability demands of customers have clearly increased in recent years. Algol Chemicals has prepared for the fact that future regulatory changes will further increase these demands. The sustainability targets of Algol Chemicals for the next few years focus on product safety and supply chain sustainability. The company's supply chain extends from purchasing to product packaging and transportation. It is therefore essential to ensure that the delivered products are not only safe to use but also safe to handle and transport.

Especially in the European chemicals market, interest in more ecologically sustainable products and growing demand for them can be seen. Customers are actively looking for products based on either recycled materials or bio-based materials. The company aims to actively develop its product portfolio in such a way that customers can be offered more and more environmentally friendly products. The goal is a central element in the company's strategy and is referred to as "Project Go Green". As part of this project in 2022, the company has listed the products from its existing product portfolio that are already environmentally friendly.

In addition, Algol Chemicals has introduced to its portfolio a new and completely bio-based functional filler and colourant made from wood raw materials. The product is one example of responding to demand. The new filler is a sustainable alternative to carbon black, which is produced by burning fossil raw materials.

Three sustainability themes

Algol Chemicals has three sustainability themes: a healthy and functional work community, the sustainable use of energy and resources, and the continuous improvement of the quality of our operations.

In order to achieve these targets, safety walks and exercises are carried out regularly at all locations. Safety training necessary for the job is provided to all personnel. The target for individual safety walks was expanded during 2022 to cover a larger group of personnel than before. The effect was significant, as the number of both safety walks and safety observations increased considerably.

One occupational accident occurred in 2022, meaning that the target of zero accidents was not achieved. The number of safety walks conducted was 72, which exceeded the target of 59, and the number of safety observations was 164, which exceeded the target of 90.

The wellbeing of employees is monitored through good leadership, regular review and target setting discussions and occupational wellbeing surveys. Despite an improvement in the score for occupational wellbeing in the employee survey conducted in spring 2022, the overall score decreased slightly compared to the previous year. The Net Promoter Score (eNPS) was 16.7.

As a distributor and packer of chemicals, the most significant environmental impacts are caused by the use of resources in

Algol Chemicals' own production facilities, the storage of its products, and transportation. Emissions data is also collected from product manufacturers, suppliers and transport companies. In 2022, closer attention was paid to the generation of waste due to product obsolescence. By monitoring product shelf life more effectively, optimising purchase quantities, and working together with supply chain operators, Algol Chemicals was able to reduce the total amount of chemical waste by 53% compared to the previous year.

Algol Chemicals requires all suppliers and subcontractors to sign its Supplier Code of Business Conduct. In addition, the company has guidelines and principles for selecting and assessing cooperation partners. In 2022, the number of completed assessments fell short of the target (20) by one.

The company also monitors the resolution times of sales deviations (target: 30 days, result: 29 days). In addition, the company aims to reduce the number of critical deviations by 15% compared to the previous year. The target for 2021 was 55 deviations, and the target for 2022 was 47 deviations. This target was not achieved last year.

CASE: Assessments support development of sustainability work

In addition to customer surveys, Algol Chemicals has conducted various sustainability assessments. In 2022, the company completed a sustainability self-assessment using a tool provided by FIBS (Finnish Business & Society), the largest corporate responsibility network in the Nordic countries. The self-assessment provided a clear report that can be used to further develop the company's sustainability work. The company has also responded to assessments conducted by both suppliers and customers. In addition to these, Algol Chemicals has joined the EcoVadis sustainability recognition system (Bronze Level) and is committed to the Responsible Care programme for chemical distributors. Through all these commitments and assessments, useful information has been obtained about the state of the company's sustainability work. Areas for development have been identified in the company's measurement, reporting and communication of environmental impacts.

EMPLOYEE SATISFACTION

3.92
/5.0

REVIEW AND TARGET SETTING DISCUSSIONS

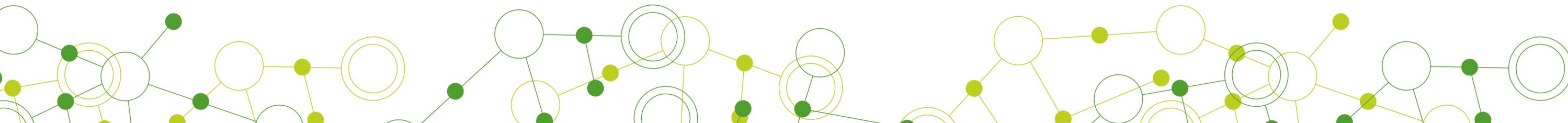
Target for the year 2022: 100%.

97.1
%

SAFETY OBSERVATIONS

Target for the year 2022: 90.

164



Algol Technics: Industrial environment highlights importance of safety

In the technology industry, as elsewhere, the importance of sustainability has grown over the past few years. Customers have set sustainability targets for their own operations, and Algol Technics’ own target-oriented sustainability work also meets customer expectations. Some customers require, for example, that the company reports its carbon footprint, occupational accidents and safety observations. The industrial and workshop environment in which Algol Technics operates highlights the importance of safety, and in this regard, the company receives a lot of inquiries not only from current but also potential customers and other partners.

Algol Technics helps keep industry and jobs in Finland by importing various products and tailored automation and internal logistics solutions for the needs of the technology industry, as well as by offering comprehensive maintenance services.

In addition, the automation solutions offered by the company can, for example, reduce the amount of manual work performed on production lines and replace dangerous or ergonomically challenging work. The chain hoists and other lifting products supplied by the company can also improve ergonomics. Such solutions enable longer working lives and thereby also increase employment in Finland.

Operational and data transparency has been increased by means of the company’s maintenance reporting and control system. Algol Technics currently receives very few enquiries regarding its carbon footprint, but the company is prepared for an increase in such inquiries in the next few years.

Social sustainability issues play an important role in the company’s sustainability work. The wellbeing of employees and the continuous development of their skills are key aspects of this. These issues will be highlighted even more strongly in the company’s strategy, which will be reviewed also from the perspective of sustainability during 2023.

Five themes for sustainability targets

Algol Technics has five sustainability themes: a safe working environment, a sustainable supply chain, a healthy and equal working community, minimising the environmental impacts of our operations, and transparent administration and fair management. A safe working environment is most important for the company, and it cannot be compromised under any circumstances. It is natural that this aspect is also strongly reflected in the company’s sustainability themes.

Central to the safety targets of Algol Technics is the Algol Group’s joint target of zero accidents, which was not achieved in 2022. During the year, 12 accidents occurred, six of which were zero lost time injuries (LT10). Two of the accidents

involved slipping. The accident frequency rate was 6.42, which was within the target of less than 8.00. The average accident investigation time was 8.3 days, which was also clearly below the target of less than 14 days.

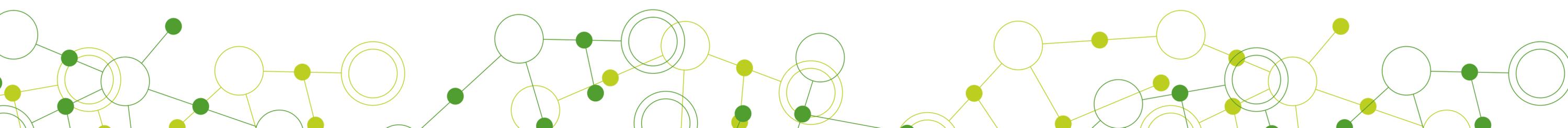
The company’s other safety targets were also achieved. A total of 1712 safety observations were made (target: 1350) and 95 safety walks (target: 74) were performed. The company also organises 15-minute safety briefings at which supervisors and employees regularly discuss current occupational safety issues. The goal of these meetings is to help employees perform their work tasks more safely and to improve their ability to anticipate and prevent dangerous situations arising at work. Altogether 150 safety briefings were held in 2022 (target: 120).

Within the theme of a sustainable supply chain, the company monitors internal training for the Code of Business Conduct and external compliance with the Supplier Code of Business Conduct. The company fell short of both targets in 2022: internal

training was completed by 72.4% of employees (target: 100%), and the Supplier CoBC was signed by 62% of suppliers (target: 85%).

Within the theme of a healthy and equal working community, the company monitors the implementation of review and target setting discussions. In 2022, 74.4% of these discussions were attended, while the target was 100%. The target will remain unchanged in 2023, and even more attention will be paid to meeting it. In addition, the number of sickness absences is monitored within this theme. Due to the nature of tasks, the target of less than 4.0% is higher in the company than in the Algol Group in general but was not quite achieved (4.36%).

One of the key indicators for a healthy and equal working community is employee satisfaction. According to a survey conducted in 2022, the score for employee satisfaction at Algol Technics was 3.79/5. The score increased from the previous survey and also exceeded the target (3.6).



Algol Trehab >



Algol Diagnostics >



Group healthcare business

The operations of Algol Trehab and Algol Diagnostics highlight social sustainability and safety. For example, the products supplied by Algol Diagnostics can significantly shorten the waiting times for cancer diagnoses, and automation can help remedy the shortage of healthcare workers.

The assistive devices supplied by Algol Trehab, in turn, can facilitate several work processes, such as lifting and moving. New working models can also ease staff shortages, allowing certain tasks to be performed by just one person, safely and ergonomically. This also increases patient safety.

Algol Trehab's largest project customers in particular have various sustainability requirements for collaboration. This is expected to become increasingly common also among other customers in the next two to three years. For both Algol Trehab and Algol Diagnostics, sustainability scoring is already done in connection with requests for tenders.

For Algol Diagnostics, the minimum requirement of its customers is that the products and the chemicals used in them are certified (CE IVD and IVDR). Other key aspects that must be certified are related to storage, transportation and the disposal process.

In the strategies of both Algol Diagnostics and Algol Trehab, sustainability is increasingly becoming the starting point of all activities. New partners in the entire supply chain will be assessed in even more detail in the future. Currently, all of Algol Diagnostics' suppliers and principals have signed Algol's Supplier Code of Business Conduct. At Algol Trehab, the corresponding figure is 80%.

Shared targets

Algol Diagnostics and Algol Trehab share many of the same targets. These include safety targets and the reduction of sickness absences. The companies also share environmental targets.

Both companies aim to ensure that the amount of hazardous waste remains below 0.5% of total sales. Hazardous waste can be generated, for example, when products exceed their use-by date. This was achieved in both companies. In addition, both companies aim to increase their waste recycling rates compared to the previous year, which was also achieved.

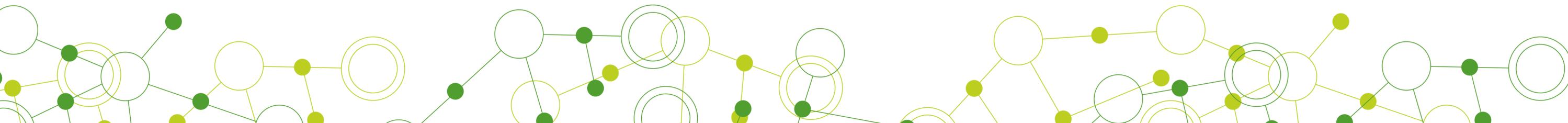
The Algol Group's shared target of zero accidents is repeated in the theme of a healthy and safe working community. This target was reached at Algol Diagnostics, but two accidents occurred at Algol Trehab, one of which was a zero lost time injury (LTI0). Both companies had a target of 10 safety observations, which they achieved. Algol Trehab exceeded the target by one observation. Both companies also had a target of two safety walks and two safety exercises, which they also achieved.

The target for sickness absences (less than 2.0%) was not achieved in either company. Algol Diagnostics recorded a sickness absence rate of 2.99%, while Algol Trehab recorded

a sickness absence rate of 11.79% due to isolated, long-term sickness absences.

Algol Trehab and Algol Diagnostics also have their own targets that aim to promote more sustainable operations. At Algol Trehab, these include a target for the number of review and target setting discussions (2 discussions/year) and a target for reducing credit invoices. These targets were not achieved.

At Algol Diagnostics, in turn, these targets include the internal completion rate of mandatory training (100%), which was almost completely achieved (97.1%). In addition, Algol Diagnostics achieved its 100% target for review and target setting discussions. Externally, the target for signing the Supplier Code of Business Conduct (90%) was surpassed, being 100%.



REVIEW AND TARGET SETTING DISCUSSIONS

100 %

CUSTOMER DEVIATIONS (CLAIMS)

Target for the year 2022 under 1%.

0.85 %

Histolab Products: Targets based on internal analysis

The sustainability targets of Histolab Products, which operates in Sweden, partially comply with the targets of Algol's other healthcare businesses and those of the Algol Group as a whole. Histolab Products has not conducted a stakeholder survey, so its targets are based on an internal analysis.

Sustainability requirements are not yet strongly visible in the cell diagnostics sector. However, future changes are expected to increase regulatory demands, and the company believes that customer demands will also increase. Accordingly, sustainability will be included in the company's strategy in the future to ensure that the company remains competitive and does its part to promote and safeguard sustainable development.

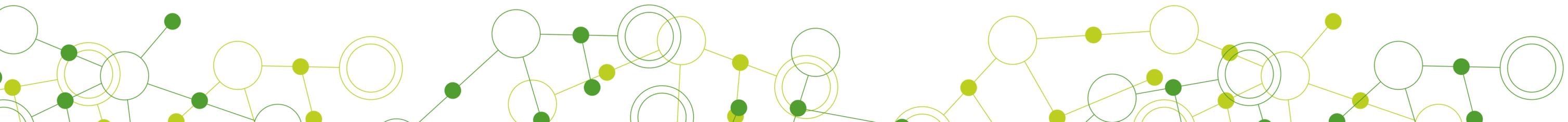
Histolab Products also shares the Group's target of zero accidents. This target was achieved in 2022. In addition, Histolab

Products monitors the number of safety walks and fire drills, both of which have the same target (one). The safety walk target was met in 2022.

In addition, the company monitors the number of supplier and customer deviations (claims less than 1%), as well as the number of CE-marked product deviations, the number of credit invoices and product losses, and the accuracy of deliveries. The company also aims to maintain customer satisfaction at above 70%.

Regarding personnel, the company monitors the attendance rate of review and target setting discussions, the target being 100%. This target was achieved in 2022.

In addition, the company monitors sickness absences, employee turnover and CO₂ emissions, but no targets have been defined for these.



Personnel

| | |
|---|----|
| Algol Group as an employer | 29 |
| "Responsible Summer Job" campaign | 30 |
| Working remotely and at the office | 30 |
| Visible role of employees in sustainability targets | 30 |
| Annual employee satisfaction surveys | 30 |
| Diversity, equality and ethical operations | 31 |
| Training and development | 31 |
| Our digital learning environment, eAcademy | 32 |
| Occupational health and safety | 33 |
| Safety work protects employees | 33 |
| Active occupational health and safety activities | 34 |
| Maintaining health and work ability | 34 |



PERSONNEL

Personnel by the end of 2022.

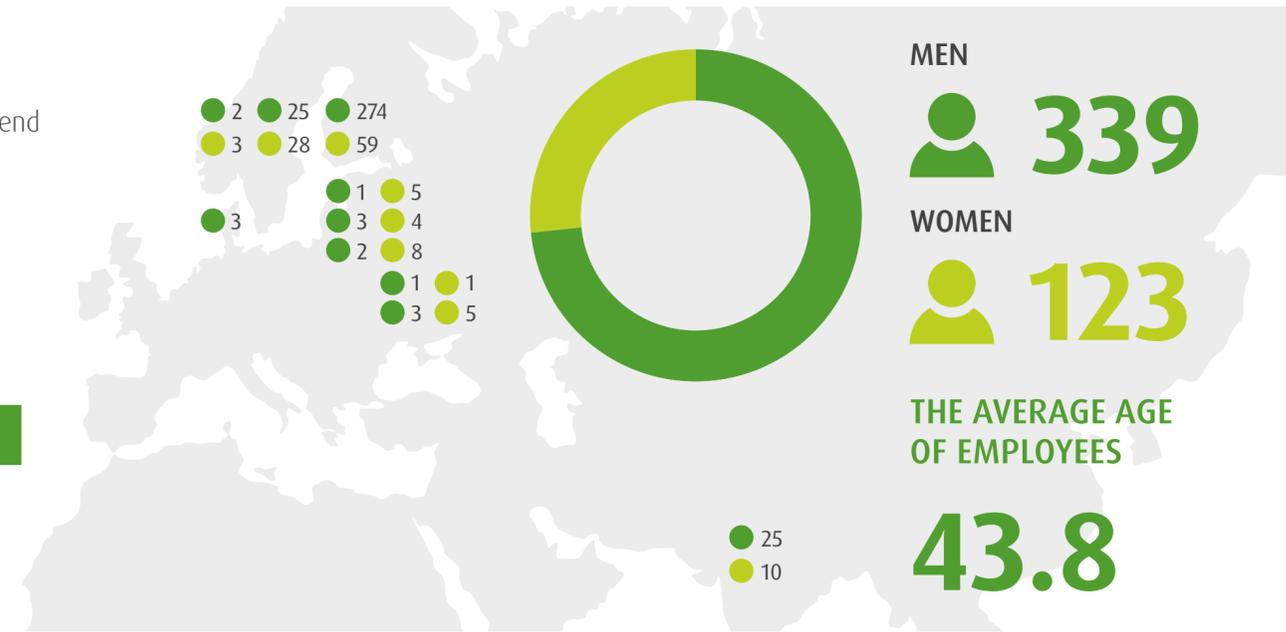
462

PERMANENT

446

FIXED-TERM

16

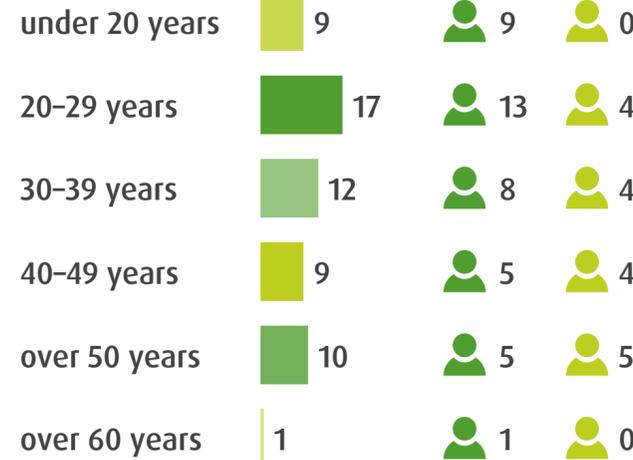


| | FINLAND | SWEDEN | NORWAY | DENMARK | ESTONIA | LATVIA | LITHUANIA | BELARUS | UKRAINE | INDIA | TOTAL |
|------------|---------|--------|--------|---------|---------|--------|-----------|---------|---------|-------|-------|
| PERSONNEL | 333 | 53 | 5 | 3 | 6 | 7 | 10 | 2 | 8 | 35 | 462 |
| MEN | 274 | 25 | 2 | 3 | 1 | 3 | 2 | 1 | 3 | 25 | 339 |
| WOMEN | 59 | 28 | 3 | 0 | 5 | 4 | 8 | 1 | 5 | 10 | 123 |
| PERMANENT | 317 | 53 | 5 | 3 | 6 | 7 | 10 | 2 | 8 | 35 | 446 |
| FIXED-TERM | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 |

NEW EMPLOYEES

Amount of new employees in 2022.

58



PERSONNEL TURNOVER RATE

3.46%



NEW EMPLOYEES MEN

41

NEW EMPLOYEES WOMEN

17

ALGOL GROUP AS AN EMPLOYER

Algol employs a total of nearly 500 professionals, for example in sales, product and service solutions, the project business, marketing, and technical service and maintenance. As a multi-branch company, Algol employs experts in numerous different fields. Typical jobs include sales and marketing tasks that combine technical or healthcare expertise. The educational background of Algol employees varies from vocational qualifications to university degrees.

We recruit employees of different backgrounds and ages. We also offer internships and study places to young people to help them prepare for their future careers and acquire professional skills.

Algol strives to be an excellent and desirable partner for all its stakeholders. Employees are of vital importance to the company's operations. As a family enterprise, we foster entrepreneurship, collaboration and the ability to react rapidly. The most important task of our employees is to create long-term relations based on mutual trust with our customers and

business partners. Our committed and responsible employees work in accordance with our values.

Careers at Algol are typically long. Employees have been with Algol for an average of 10.3 years, and approximately 41% of employees have been with the company for more than 10 years (the Group's Finnish companies are included in the calculation, and long absences, such as study leave, has been removed).

We encourage our employees to engage in continuous dialogue and to make a difference by developing tools and

methods that ensure openness. The work of our supervisors and management practices support a leadership culture that values employees. Employee feedback channels for reporting near-miss situations and other concerns help highlight any deficiencies that are observed in our operations and operating environment.

Managers and team leaders are trained and guided by uniform operating models to treat all employees fairly and equally. A supervisor training module was added to our eAcademy training portal at the end of 2022.

PARTICIPATION IN “RESPONSIBLE SUMMER JOB” CAMPAIGN

The Algol Group offers a wide range of summer job opportunities, from financial administration to warehouse work and installation tasks. In 2022, Algol employed 13 summer workers, most of them at Algol Technics. Summer workers are an important resource for us and provide a valuable addition to our work community.

Algol has participated in the “Responsible Summer Job” campaign for the past six years. By offering meaningful summer jobs, we do our part to improve the conditions for young people entering working life and finding a place in the job market. Our own work community also learns when students introduce new ideas and work methods to our established ways of working.

WORKING REMOTELY AND AT THE OFFICE

The pandemic period in recent years has helped us develop a new working model that combines office and remote working. As recently as spring 2022, we reintroduced a stricter remote work recommendation, but our employees have been able to work all the time at the office as well.

Not all our employees in Finland can work remotely due to the nature of their jobs. For them, as well as those who chose to work at the office, Algol provided face masks during the

pandemic. In addition, we offered access to a Covid-19 test and vaccination through our occupational health services. We also provided instructions on the importance of good hand hygiene and keeping a sufficient distance, not only on the intranet but also with posters, for example.

The renovation of our office premises in Espoo began at the end of 2022. The changes aim to provide more modern, versatile and even more comfortable spaces for working. Special attention is being paid to ergonomics; for example, all workstations will have adjustable electric desks in the future.

VISIBLE ROLE OF EMPLOYEES IN SUSTAINABILITY TARGETS

Employees play a visible role in the Algol Group’s sustainability targets. Safety is a key aspect of all work. In addition to our target of zero accidents, we have set targets for the number of sickness absences and the investigation time for possible accidents.

Alongside safety, a strong theme throughout the entire Group is a healthy and functional work community, the main goal of which is to increase the attendance rate of review and target setting discussions to 100%.

In addition, we monitor and measure on the Group level such aspects as the number of newly recruited employees, the

distribution between types of employment relationship, and employee turnover.

ANNUAL EMPLOYEE SATISFACTION SURVEYS

Algol and all its subsidiaries conduct annual employee satisfaction surveys. In recent years, the survey has been based on a survey prepared by Varma Mutual Pension Insurance Company that has been supplemented for each company. The survey is repeated annually with standard questions, making comparability easy not only within the Group but also between Varma’s reference companies. In addition, repeating the survey makes it possible to determine whether the selected development measures have led to improved results.

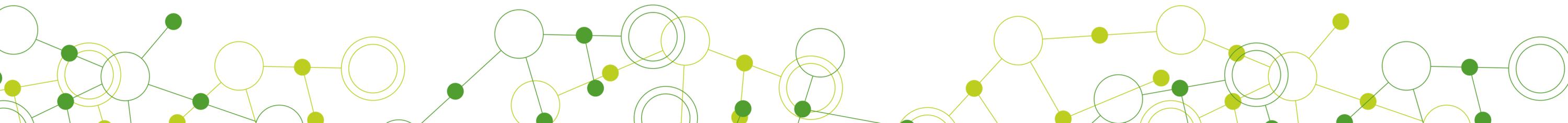
The survey is divided into various topics, such as workload factors, interaction, and work ability and wellbeing. The survey response rates vary among subsidiaries from 63 percent to 89 percent. Our goal is to increase the response rate not only through communications but also through the work of our supervisors, especially for those companies where the participation rate is the lowest.

The results of all Group companies have improved since 2021. Our employees feel that the Group’s strengths include fairness and equality, as well as the ease of getting help and support from colleagues. Employees are satisfied with their own skills in relation to their job requirements, as well as with the

clarity of responsibilities. There was a dispersion between the different Group companies in how employees experienced the meaningfulness of their work.

Case: Recommendation as a summer workplace

Jenni Laakkonen, who studies accounting at Aalto University, was attracted to the idea of a summer job at Algol by the opportunity to do versatile work and gain experience in a large company that also operates internationally. When she heard that Algol operates responsibly and that the experiences of previous summer workers had been positive, she decided to apply to Algol. Jenni worked at Algol's head office in Espoo, working remotely half the time. Jenni was responsible for the purchase ledger during the summer, which involved validating invoices, transfers, monitoring and distribution. Based on her experience, Jenni warmly recommends Algol as a summer workplace.



In terms of development areas, employees highlighted stress, workload and urgency the most on average. Development plans have been drawn up not only for each Group company but also for each team.

In all Group companies, excluding Algol Technics, the survey also determined the Net Promoter Score (eNPS). The score measures satisfaction and willingness to recommend with the help of one question. There was a large dispersion in the score between different Group companies. For those with the lowest eNPS, work began on the necessary improvement measures already during the year. At Algol Technics, the willingness to recommend was gauged like other questions in the survey. The resulting score had risen from the previous year and was at a good level.

DIVERSITY, EQUALITY AND ETHICAL OPERATIONS

Algol’s operations are based on our values and Code of Business Conduct, which ensure that each employee is able to perform his or her work with high morals and to be treated at work in a way that respects human dignity.

From 2022 onwards, company-specific work community development plans have been drawn up to replace the previous Group-level plans. The new development plans include an equality plan and a non-discrimination plan. At Algol Chemicals, a development plan was drawn up in 2022 only for Algol

Chemicals Finland. Development plans were not prepared for Algol Diagnostics and Algol Trehab, which had fewer than 20 employees.

The implementation of equality is monitored in annual employee surveys. Based on the results, the necessity for corrective measures is assessed.

The Algol Group has zero tolerance for inappropriate behaviour and harassment. An inappropriate behaviour and discrimination module was added to our eAcademy training portal in autumn 2022. The training provides clear instructions for handling possible discrimination situations. The Group also has an anonymous whistleblowing channel for notifying about suspected discrimination.

We apply our ethical guidelines to our practical work by means of regular training that is mandatory for all Group employees. This training serves as work conduct guidelines and procedures for situations involving inappropriate treatment.

TRAINING AND DEVELOPMENT

At Algol, the ability of employees to produce value for customers and other stakeholders is a key factor for our business success and achieving goals. The Group offers employees versatile work tasks and opportunities to develop their professional skills.

EQUALITY IN MANAGEMENT TEAMS AND ADMINISTRATION

Women and men in management teams and administration.



ALGOL OY



ALGOL TECHNICS OY



ALGOL CHEMICALS OY



ALGOL TREHAB OY



ALGOL DIAGNOSTICS OY

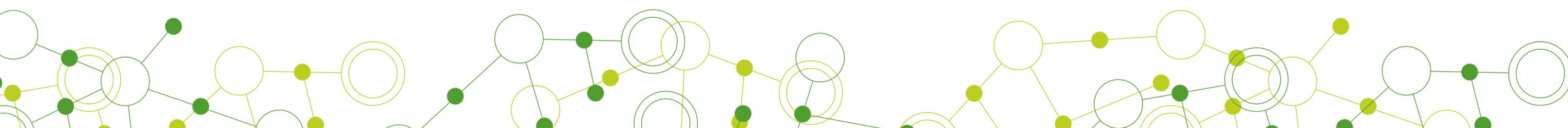


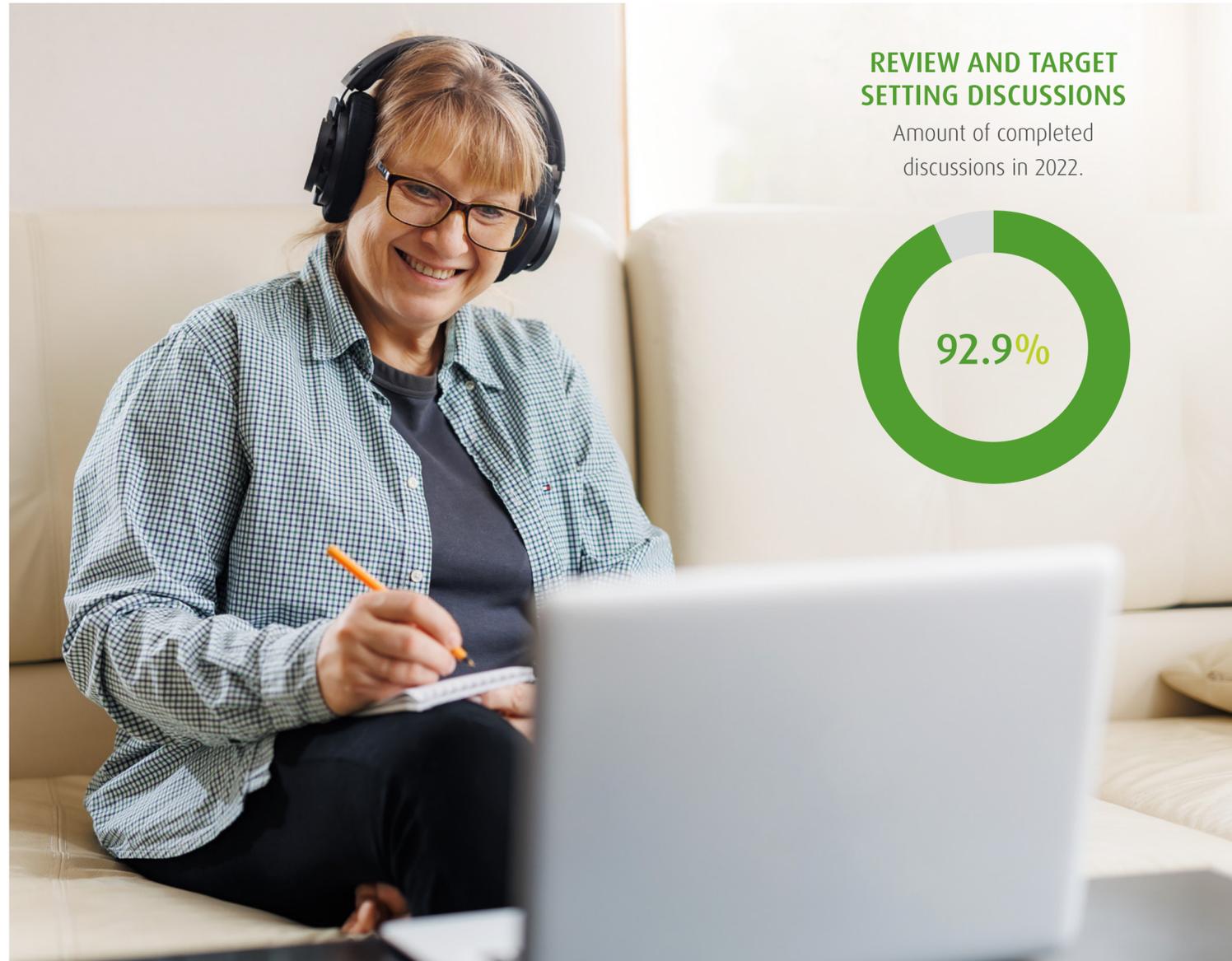
HISTOLAB AB



EQUALITY POLICIES AND PROGRAMMES

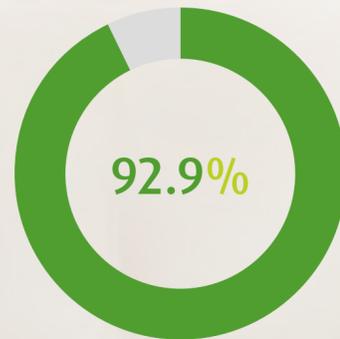
At Algol we carry out equal treatment of people.
Plan for equality is part of personnel plan updated yearly.





REVIEW AND TARGET SETTING DISCUSSIONS

Amount of completed discussions in 2022.



We also encourage the development of personal skills and a balance between work and private life. The work atmosphere at Algol encourages and supports new learning.

Each employee records his or her own expertise and skills in Algol’s human resources management system. The information collected in the system is used to assess the need for additional training and development. The skills of employees are developed not only through internal training but also through external training, for example in accordance with the requirements for product knowledge and other specialised expertise.

In 2022, the Group took measures to collect training information more systematically. Our goal is that, in the coming years, all the training and courses attended by Algol’s employees can be found in one system and easily compiled for reporting purposes, for example.

The development needs of employees are assessed through regular review and target setting discussions and development plans. All employees within the Group must attend an annual review and target setting discussion with their supervisor. These discussions are documented in Algol’s human resources management system.

Review and target setting discussions are also included in the Group’s sustainability targets. The target under the theme “A

healthy and functional work community” is 100% attendance in review and target setting discussions. In 2022, the attendance rate for all Group employees was 92.9%.

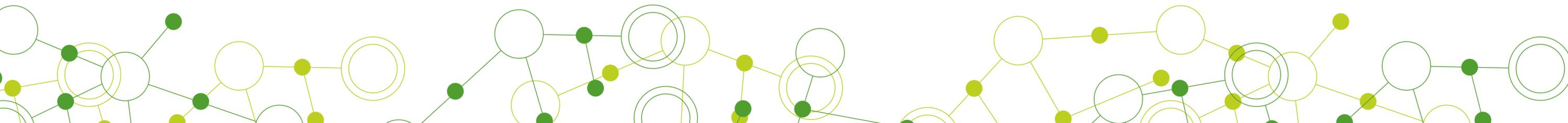
OUR DIGITAL LEARNING ENVIRONMENT, EACADEMY

Algol employees have access to our digital learning environment, eAcademy. This online portal offers several courses and training modules in various subjects.

Mandatory training modules for all Algol employees include training concerning Group values, Code of Business Conduct (CoBC), information security, and an introduction to the General Data Protection Regulation (GDPR).

In addition, all Algol employees in Finland must complete the Basics of Occupational Health and Safety course. Algol Chemicals and Algol Technics have mandatory strategy training for their own employees on the portal, while Algol Chemicals has a chemical safety course for its employees.

The eAcademy portal also offers many different voluntary courses. These include, for example, courses related to identifying work ability and burnout, a communications course aimed at supervisors, and an introduction to employment relationship issues.



OCCUPATIONAL HEALTH AND SAFETY

SAFETY WORK PROTECTS EMPLOYEES

Occupational health and safety are an integral part of our operations, and the topic is also strongly reflected in our sustainability targets. The development and management of occupational health and safety are guided by our Health, Safety and Environment (HSE) Policy and Quality Policy. The wellbeing and satisfaction of employees is maintained by regular review and target setting discussions and feedback from employee surveys.

Our occupational health and safety management system covers all employees who work at our ISO 45001 certified locations, representing 58.5% of all Group employees in 2022. The locations of Algol Chemicals in India, Ukraine and Belarus, as well as the locations of Histolab Products, are not ISO 45001 certified.

Safety work is primarily done to prevent accidents. Risk assessment and safety reports are reviewed by the management teams of each company. The purpose of safety measures is to ensure that the facilities, equipment and tools we use are safe and fit for purpose. Our permanent goal is to reduce the number of occupational accidents and injuries within the entire Group to zero.

In 2022, a total of 7 occupational accidents leading to absences were recorded at Algol's Finnish locations. One accident was recorded at an Algol facility outside of Finland.

The Covid-19 pandemic still had an effect during 2022, with occasional recommendations for remote working. Measures were undertaken to prevent infections as much as possible at our locations during the year. In addition to remote work recommendations, we increased communications and hygiene guidelines, improved cleaning, and required the use of mouth and nose protection in accordance with official recommendations.

To promote occupational health and safety, an action plan for occupational health services and guidelines for fire safety and crisis situations have been drawn up. Our occupational health care partner conducts workplace surveys regularly. Surveys are conducted every third year at sites in Finland. The safety of operations is evaluated by monitoring accident frequency rates and absences due to accidents.

In 2022, the accident frequency rate within the entire Group was 9.57, which was higher than the previous year. The sickness absence rate was 3.67% (2021: 3.7), the target being less than two percent.

We have assessed that the most serious risks of accident in the Group's operations involve working in high places and with chemicals. In order to develop occupational safety, we conduct

regular safety walks at our locations. During these walks, workplace risks and hazards are observed and we learn how to prevent dangerous situations. In addition, at least two safety exercises are organised annually at the Group's head office in Espoo. At Algol Chemicals, accident drills with different contents are organised regularly, either internally or in cooperation with various stakeholders and authorities.

Algol uses the Granite risk management system to record all safety deviations, from near misses to accidents. All Algol employees have an obligation to report any occupational safety observations using the system. Accidents and safety observations in Algol must be investigated immediately, but no later than two weeks after the incident.

At Algol Technics, safety is also taken into consideration in remuneration. Targets for the number of safety briefings and safety walks have been defined for those in relevant positions, and achieving these targets can lead to the payment of a performance bonus. In addition, some employees have the possibility of receiving a safety bonus if their team achieves the defined quarterly target for the number of safety observations.

In 2022, a total of 174 safety walks were conducted at all Group locations. The total number of safety observations in 2022 was 2014. The number of accidents within the entire Group was 15, of which seven were zero lost time injuries (LT10). The investigation time for accidents was 11.4 days on average.

ISO CERTIFIED SITES

Includes only ISO 45001 certificate.



CASE: Accident drill in Turku

At the Algol Chemicals warehouse facilities in Turku, an accident drill was organised with Rescue Services in October 2022. Typically, the drills simulate chemical spills or various situations involving exposure to chemicals, for example. In 2023, an internal accident drill is planned in which the Group's occupational health and safety organisation will also participate. During the drill, internal accident communications will be practiced.





SICK ABSENCE RATE

3.67 %

Target for the year 2022 under 2%.

WORK RELATED ACCIDENTS

9

of which 5 so called zero days (LTIO).

WORK TRIP ACCIDENTS

6

of which 2 so called zero days (LTIO).

LOST TIME INCIDENT RATE (LTIF)

9.57

(2021: 0.97)

Accident investigation time 11.4 days.

SAFETY OBSERVATIONS

2014

The amount includes observations during the safety walks. Number of safety walks: 174.



ACTIVE OCCUPATIONAL HEALTH AND SAFETY ACTIVITIES IN ALL GROUP COMPANIES

The Group has occupational health and safety activities in all its Finnish companies. Annual occupational health and safety action plans are drawn up for each company. The main purpose of these activities is to monitor and develop occupational health and safety. Typical occupational health and safety monitoring targets include risk assessment, ergonomics, and the prevention and monitoring of accidents.

Algol's occupational health and safety organisations comprise representatives of the employees and the employer. Regular meetings are held to monitor the implementation of action plans and discuss acute occupational health and safety issues, for example. The tasks of these organisations also include

making proposals to the employer for developing occupational health and safety.

All Algol employees in Finland must complete a mandatory occupational health and safety course on the eAcademy portal. The introductory course covers the key regulations and rules that everyone should know to ensure safe work. The training module was introduced on the eAcademy portal in April 2022, and by the end of December, 46.3% of employees had completed the module. The target for 2023 is for 100% of employees to have completed the course.

In addition, regular first aid training is organised within the Group. The aim is for each of our locations to have a sufficient number of people with first aid training. In 2022, two first aid trainings were organised.

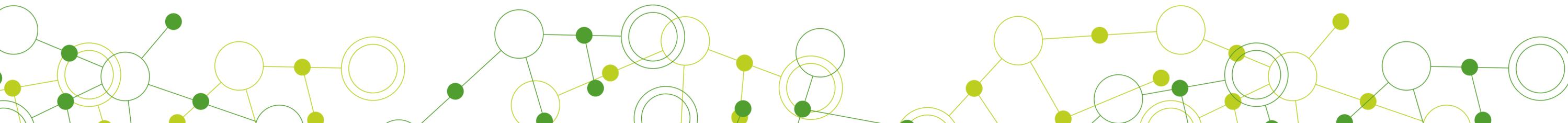
MAINTAINING HEALTH AND WORK ABILITY

Algol aims to ensure health services for employees in order to maintain a high level of work ability. Algol employees have access to health services that are even more comprehensive than statutory occupational health services. For employees in Finland, the employer has taken out voluntary medical insurance that also provides specialist medical services as needed. In addition, the Group offers employees the possibility to vaccinate against the flu, for example.

Occupational health experts assist employees in such matters as ergonomics, healthy and safe working practices, and managing stress in the work community and individually.

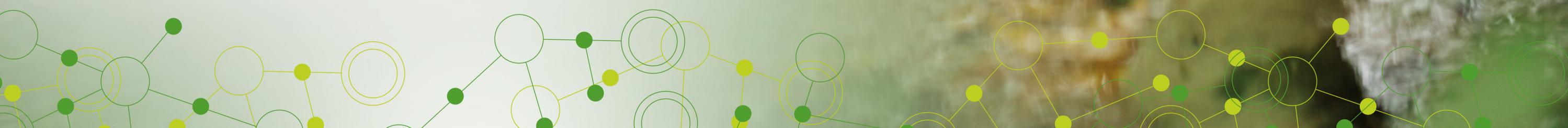
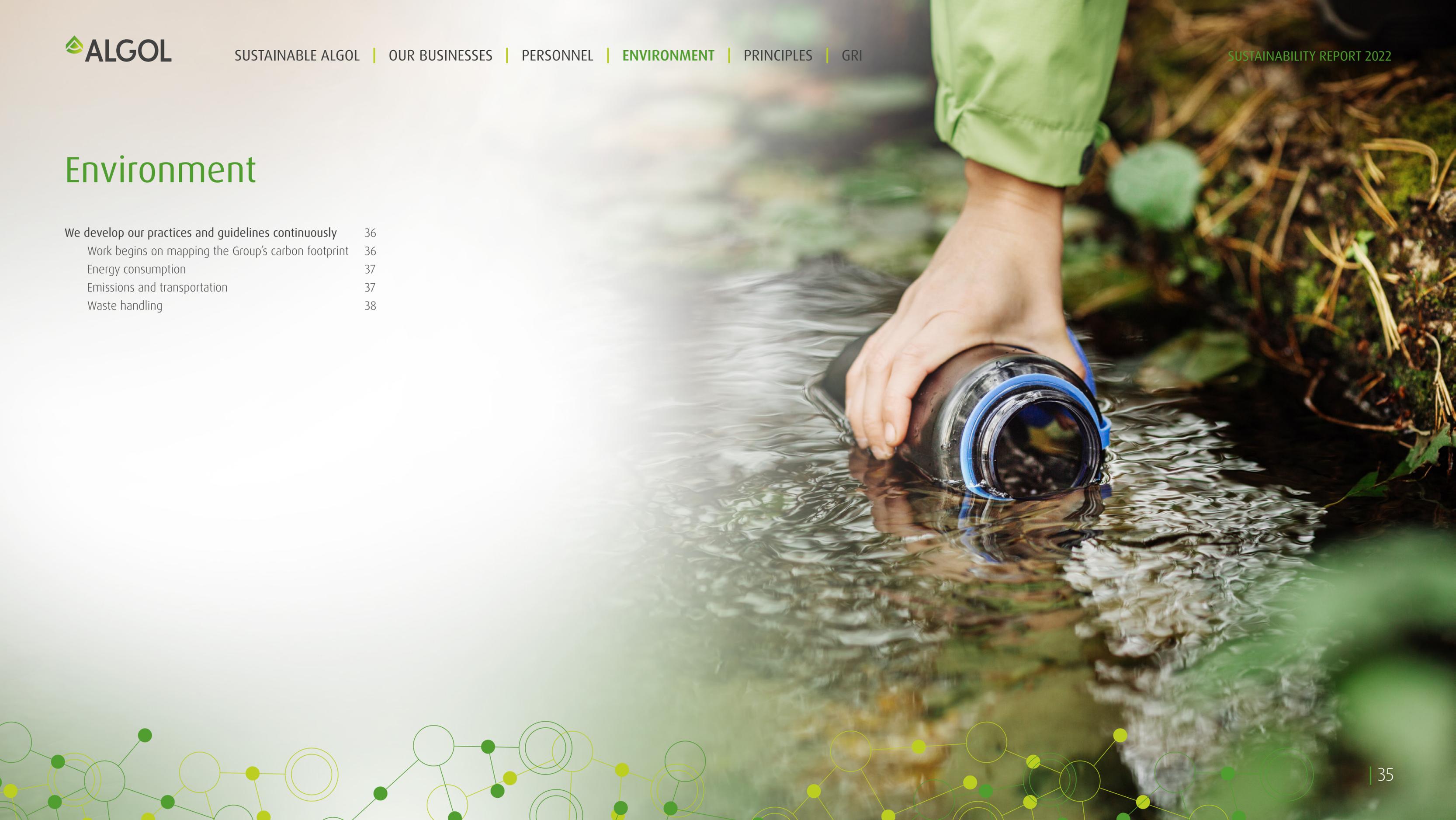
Algol was faced by a new situation following the Russian invasion of Ukraine. Algol Chemicals has an office in Ukraine, and there has been great concern about the situation of our Ukrainian colleagues. Algol Chemicals has actively supported its employees in Ukraine, for example by providing flexible working models and maintaining close contact.

Concern about the war and our Ukrainian colleagues also increased the risk of undermining the wellbeing of other employees. During 2022, together with our occupational health partner, a lecture was organised on the topic of "Coping and the Situation in the World". The lecture discussed the emotions that the war in Ukraine and the resulting uncertainty can arouse, as well as ways to help employees cope. Almost 20% of our employees attended the lecture, and it has also been possible to watch the recording afterwards.



Environment

| | |
|--|----|
| We develop our practices and guidelines continuously | 36 |
| Work begins on mapping the Group's carbon footprint | 36 |
| Energy consumption | 37 |
| Emissions and transportation | 37 |
| Waste handling | 38 |



WE DEVELOP OUR PRACTICES AND GUIDELINES CONTINUOUSLY

The most significant environmental impacts are caused by the transportation of our products and the use of resources in our own production facilities. We continuously seek ways to prevent and reduce the generation of waste. We pay attention to the environmentally responsible procurement and use of energy, electricity and water.

In addition, we use recycled packaging whenever possible and deliver discarded packaging for reuse. In Finland, we have signed an agreement with Finnish Packaging Recycling RINKI Ltd to exercise our sustainability regarding the reuse and recycling of packaging.

We develop our practices and guidelines continuously. We make sure that all our employees are familiar with the guidelines and how they apply to their own work.

All of Algol's business units are certified according to the ISO 9001:2015 and ISO 14001:2015 standards. All business units, with the exception of Algol Chemicals in India, Ukraine and Belarus, as well as the locations of Histolab Products, are also certified according to the ISO 45001:2018 standard.

As part of the chemical supply chain, Algol Chemicals takes responsibility for the operation, development and good collaboration of its own supply chain. In order to guarantee product safety and product compliance, the company systematically collects information and product documentation. For example, the REACH regulations for products together with packaging and food regulations are central to this work. In addition, the company has joined the EcoVadis sustainability recognition system and is committed to the Responsible Care initiative for chemical distributors. In addition, it is committed to promoting the use of sustainable palm oil through its membership in the Roundtable on Sustainable Palm Oil (RSPO).

WORK BEGINS ON MAPPING THE GROUP'S CARBON FOOTPRINT

Within the Group, we have recognised that the biggest challenges in our sustainability work are currently related to measuring and targeting carbon dioxide emissions in the supply chains of the products we import. Together with suppliers, we are seeking to find reasonable and efficient ways to reduce the resulting carbon footprint.

Emissions from purchased products play a large role in the greenhouse gas (GHG) emissions of our operations. Planning

for the systematic mapping of our carbon footprint started in the Group's subsidiaries in 2022, and practical work will begin in 2023.

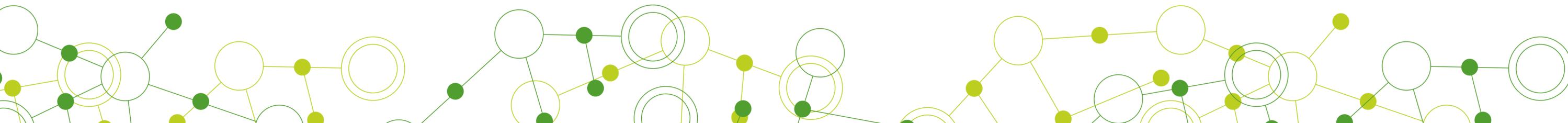
Before carbon dioxide reduction measures can be defined, the most significant emission sources and the current state of CO₂ emissions must be identified. This work has begun under the leadership of Algol Chemicals. During 2022, the contents of Scope 1-3 were determined.

The data collection and calculation of emissions in accordance with the GHG Protocol will be completed in the first half of 2023, when the first results can be reported. Based on the collected data, emissions are calculated according to the unit "tons of carbon dioxide equivalent" (tCO₂e).

CASE: Algol Chemicals increases number of greener options in its product portfolio

Algol Chemicals has identified three aspects that are considered the basis for defining a product as a greener choice.

- 1) Greener option - The portfolio has products with an environmental certificate. Environmental labels provide essential information and help customers make the best choices. We strive to offer more bio-based products, as well as products made from non-toxic ingredients using environmentally friendly methods.
- 2) Circular economy - We consider the product's reusability at the end of its useful life. In addition, we aim to add by-products derived from the production process or manufacturing process to our product portfolio.
- 3) Carbon Footprint - The long-term goal is to offer products for which all emissions are measured and then ensure that they are minimised, eliminated or, if necessary, compensated. We strive to offer products with as little environmental impact as possible throughout their entire life cycle.





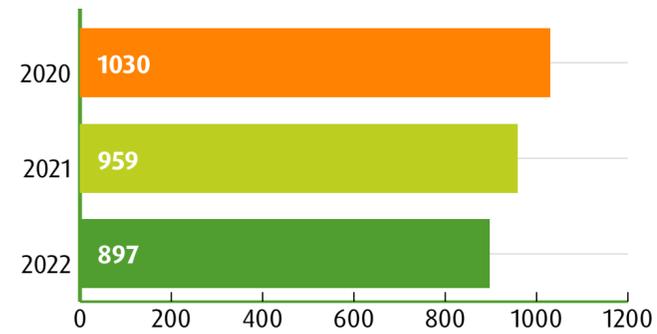
ENERGY CONSUMPTION

Energy consumption of all sites.

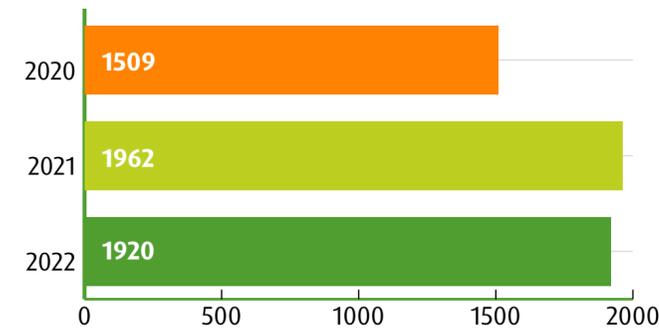
2 031
MWh

ENERGY CONSUMPTION AT OUR HEAD OFFICE (MWH)

ELECTRICITY

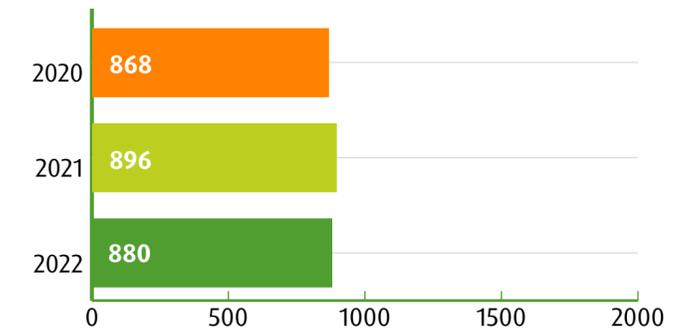


DISTRICT HEATING



ELECTRICITY CONSUMPTION, PRODUCTION FACILITIES (MWH)

Figure includes only Algol Chemicals Turku and Kvarntorp sites.



ENERGY CONSUMPTION

Improving the efficiency of our energy consumption supports the profitability of our operations while reducing the environmental impacts caused by emissions. We actively monitor energy consumption at our head office in Espoo, as well as at our facilities in Turku and Kvarntorp. By modernising our building and lighting technology, we have succeeded in reducing the consumption of electricity and district heating at our head office over the past few years. Starting in 2022, we have monitored energy consumption at all our locations.

Energy consumption at our location in Turku in 2022 amounted to 288.5 MWh (Scope 2), and 33.2 m³ of oil was used for heating (Scope 1).

In 2023, we will clarify the origin of the electricity used at our own locations and, where necessary, make plans for introducing more responsibly produced electricity.

EMISSIONS AND TRANSPORTATION

The Group does not have its own production, apart from the small-scale production of Algol Chemicals in Turku and Kvarntorp. Emissions from production are mainly related to energy.

Instead, Algol moves material flows from goods manufacturers to our own warehouses and those of our customers. In addition, many of our employees travel daily to customer premises for maintenance purposes. We also travel to customer and partner

meetings throughout our business area, including across national and regional borders.

As far as possible, we strive to use environmentally responsible logistics partners in order to move products, supplies and raw materials to their destination with as little environmental damage as possible in accordance with our own values and those of our customers.

In addition, we ensure that our partners have fulfilled their obligations according to the Contractor's Liability Act. Algol Chemicals has prepared guidelines for partners (Requirement Profile for Road and Intermodal Transport), which the company requires all transport partners to approve and sign.

HEATING OIL TURKU

33.2
m³

(Scope 1)

ENERGY CONSUMPTION TURKU

288.5
MWh

(Scope 2)



The Group has just over 120 vehicles in use. These include vehicles used for maintenance tasks and company cars for employees. We strive to plan our transportation and travel in order to reduce the environmental impacts caused by traffic, for example by means of travel guidelines for employees.

The target for CO₂ emissions in 2022 was less than 160g/km (this figure applies to leasing cars), which was achieved.

CO₂ EMISSION VALUE



WASTE HANDLING

Efficient sorting, recycling and reuse of waste saves natural resources and makes the environment cleaner and more enjoyable. Algol employees are instructed on the correct procedures for sorting waste. Currently, the Group systematically monitors waste handling and waste amounts at its locations in Finland.

In accordance with Finnish legislation and the EU Directive on Packaging and Packaging Waste, Algol is responsible for recycling the packaging it delivers to the domestic market. In Finland, the agreement signed with Finnish Packaging Recycling RINKI Ltd transfers responsibility for the appropriate recycling of packaging to the producer organisations of the packaging industry.

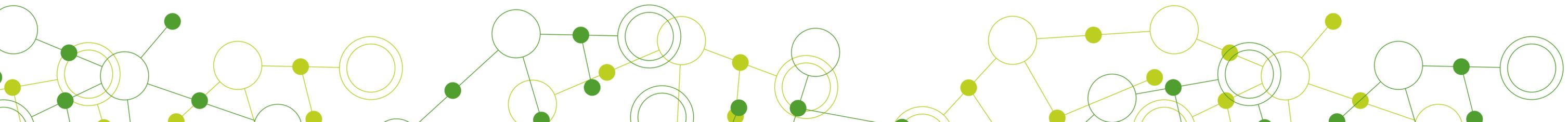
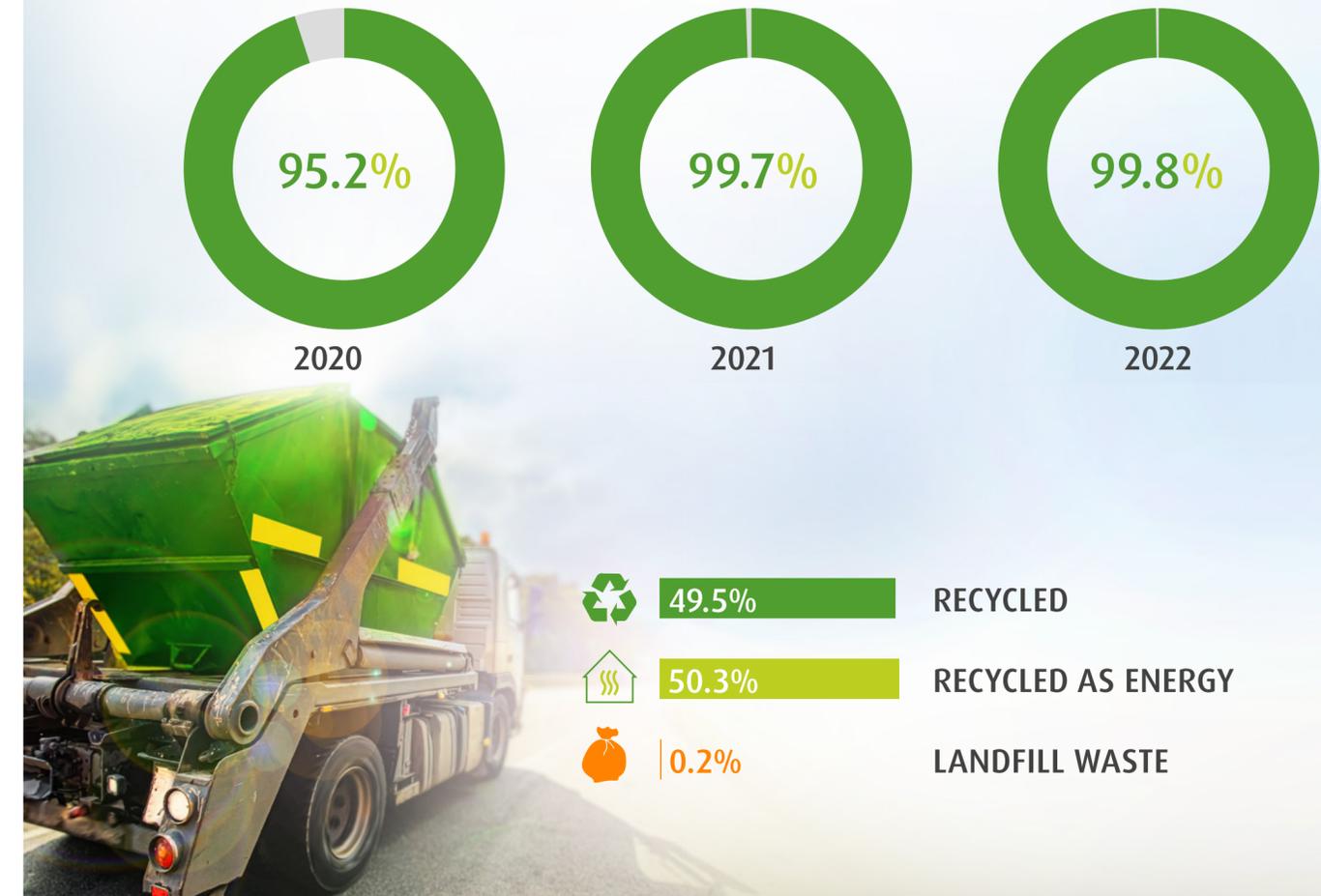
CASE: Charging point for electric and hybrid vehicles at head office in Espoo

At the end of 2022, 12 charging points for electric and hybrid vehicles were installed in the parking lot at our head office in Espoo. The charging points are available for use by all employees.



UTILISATION OF WASTE

Reported numbers include all offices in Finland.



Reporting principles

Non-financial information

This Sustainability Report comprises non-financial information. Financial information is reported in our annual reports.

Code of Business Conduct

Our operations are guided by our Code of Business Conduct (CoBC) together with our values (Accountability, Collaboration, Development). We require all employees to complete the CoBC training module. In addition, our suppliers and subcontractors must comply with our Supplier CoBC.

We comply with all applicable laws in the countries in which we operate. The Algol Group has a Health, Safety and Environmental Policy and a Quality Policy. Our operations are certified (Quality Certificate ISO 9001:2015, Environmental Certificate ISO 14001:2015, Occupational Health and Safety Certificate ISO 45001:2018).

All Algol employees are obligated to act in accordance with our guidelines and regulations. Suspicion of any activity that violates our Code of Business Conduct can be reported via our anonymous whistleblowing notification channel.

Use of GRI guidelines

This Sustainability Report has been compiled with reference to the GRI Standards (Global Reporting Initiative). The general disclosures comply with the GRI 2021 Standards, while the other contents comply with the GRI 2016 Standards

Limitations

Sustainability information has been reported for all the countries in which we operate. The report focuses on companies wholly owned by Algol, and for this reason Suomen Unipol Oy is not included. In addition, a stakeholder survey and materiality assessment will be conducted for Histolab Products AB only in 2023. For this reason, the company is only partially included in this report.

Materiality

Material topics are evaluated annually as part of the sustainability reporting process. Topics can be internal development proposals or they can come from our stakeholders.

Verification

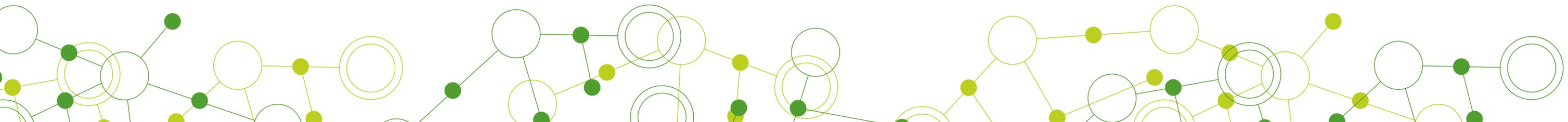
This Sustainability Report has not been verified by an external independent party.



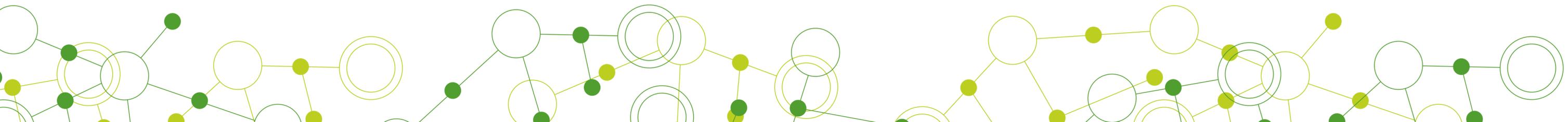
GRI Index

Our Sustainability Report has been compiled with reference to the GRI Standards (Global Reporting Initiative). The general disclosures comply with the GRI 2021 Standards, while the other contents comply with the GRI 2016 Standards. Reporting consists of the whole Algol Group. This is the Algol Group’s first Sustainability Report.

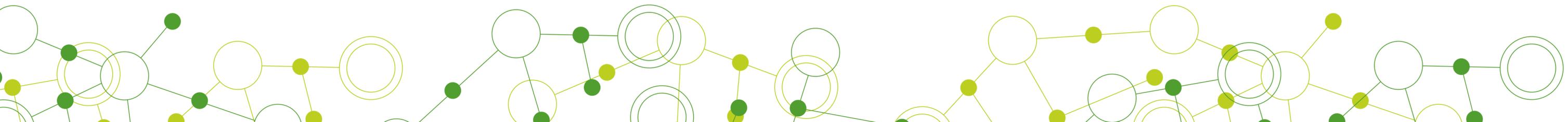
| GRI STANDARD TITLE | | LOCATION | REMARKS |
|---|--|---|--|
| GRI 2 GENERAL DISCLOSURES (2021) | | | |
| The organization and its reporting practices | | | |
| 2-1 | Organizational details | Algol Group, p. 4 algol.fi/en/contacts-main | |
| 2-2 | Entities included in the organization’s sustainability reporting | Algol Group, p. 4 Our subsidiaries operate in many different sectors, p. 18 | The information is published in our annual report. |
| 2-3 | Reporting period, frequency and contact point | GRI Index Contact information, p. 47 | Calendar year 2022. The report is published annually. |
| 2-5 | External assurance | GRI Index | The sustainability report has not been verified by an independent third party. |
| Activities and workers | | | |
| 2-6 | Activities, value chain, and other business relationships | Algol Group, p. 4 More systematic sustainability work among our subsidiaries, p. 20 Environment, p. 35 Our Businesses, p. 17 | |
| 2-7 | Employees | Personnel section, p. 28 | |
| 2-8 | Workers who are not employees | Personnel section, p. 28 | |



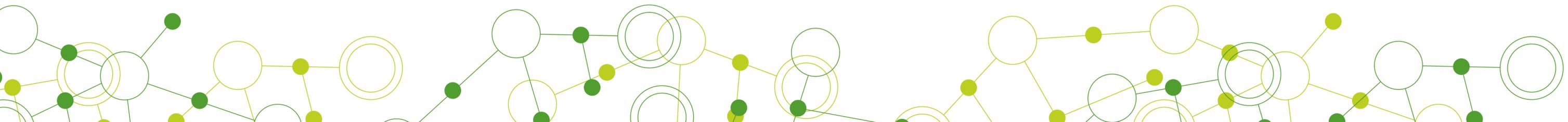
| GRI STANDARD TITLE | | LOCATION | REMARKS |
|---|---|--|--|
| Governance | | | |
| 2-9 | Governance structure and composition | Group structure, p. 6 | |
| 2-11 | Chair of the highest governance body | Group structure, p. 6 | |
| 2-13 | Delegation of responsibility for managing impacts | Managing sustainability, p. 9 | |
| 2-14 | Role of the highest governance body in sustainability reporting | More systematic management of sustainability, p. 9 | |
| Strategy, policies and practices | | | |
| 2-22 | Statement on sustainable development strategy | Group structure, p. 6 A Message from the CEO, p. 7 A responsible corporate citizen p. 13 | The information is published in our annual report. |
| 2-23 | Policy commitments | Managing sustainability, p. 9 More systematic management of sustainability, p. 9 Code of Business Conduct, p. 10 A responsible corporate citizen p. 13 UN Sustainable Development Goals, p. 22 | |
| 2-26 | Mechanisms for seeking advice and raising concerns | Whistleblowing channel for both internal and external use, p. 11 | |
| 2-28 | Membership associations | Active in society, p. 15 | |
| 2-29 | Approach to stakeholder engagement | Interaction with our stakeholders, p. 11 | |
| 2-30 | Collective bargaining agreements | GRI Index | 100% of Finnish personnel. |



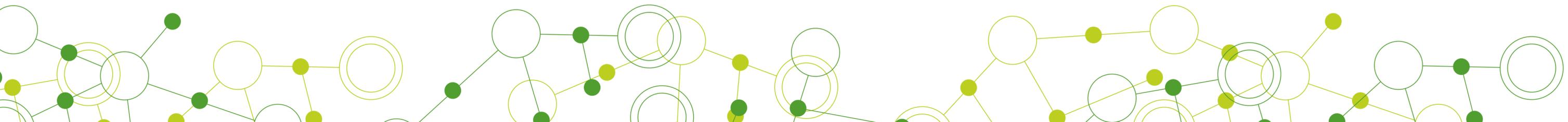
| GRI STANDARD TITLE | | LOCATION | REMARKS |
|--|---|--|--|
| GRI 3: MATERIAL TOPICS (2021) | | | |
| 3-1 | Process to determine material topics | Interaction with our stakeholders, p. 11 More systematic sustainability work among our subsidiaries, p. 20 | |
| 3-2 | List of material topics | Code of Business Conduct, p. 10 A responsible corporate citizen p. 13 More systematic sustainability work among our subsidiaries, p. 20 UN Sustainable Development Goals, p. 22 Personnel section, p. 28 | |
| 3-3 | Management of material topics | Managing sustainability, p. 9 | |
| ECONOMICAL STANDARDS | | | |
| GRI 201: Economic Performance (201) | | | |
| 201-1 | Direct economic value generated and distributed | Algol's tax footprint, p. 13 | The information is published in our annual report. |
| GRI 205: Anti-corruption (2016) | | | |
| 205-1 | Operations assessed for risks related to corruption | Code of Business Conduct, p. 10 Training and development p. 31 | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Code of Business Conduct, p. 10 Training and development p. 31 | |
| 205-3 | Confirmed incidents of corruption and actions taken | Whistleblowing channel for both internal and external use, p. 11 | |
| GRI 206: Anti-competitive Behavior (2016) | | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Whistleblowing channel for both internal and external use, p. 11 | No cases in 2022. |



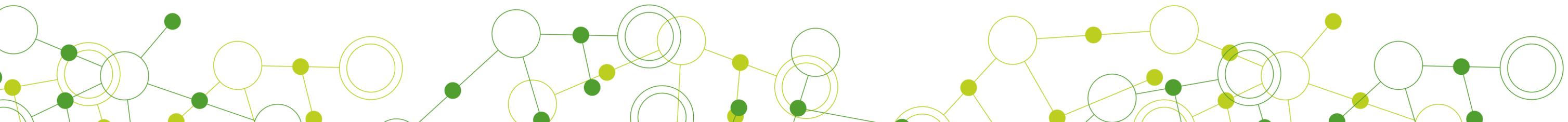
| GRI STANDARD TITLE | | LOCATION | REMARKS |
|--|--|--|-----------------------|
| ENVIRONMENTAL EFFECTS | | | |
| GRI 302: Energy (2016) | | | |
| 302-1 | Energy consumption within the organization | Energy consumption, p. 37 | |
| GRI 306: Waste (2020) | | | |
| 306-1 | Waste generation and significant waste-related impacts | Utilisation of waste, p. 38 | |
| 306-2 | Management of significant waste-related impacts | Utilisation of waste, p. 38 | |
| 306-3 | Waste generated | Utilisation of waste, p. 38 | |
| 306-4 | Waste diverted from disposal | Utilisation of waste, p. 38 | |
| 306-5 | Waste directed to disposal | Utilisation of waste, p. 38 | |
| GGRI 307: Environmental Compliance(2016) | | | |
| 307-1 | Non-compliance with environmental laws and regulations | GRI Index | No violations in 2022 |
| GRI 308: Supplier Environmental Assessment (2016) | | | |
| 308-1 | New suppliers that were screened using environmental criteria | Supplier Code of Business Conduct and supplier evaluation process, p. 12 | |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Supplier Code of Business Conduct and supplier evaluation process, p. 12 | |



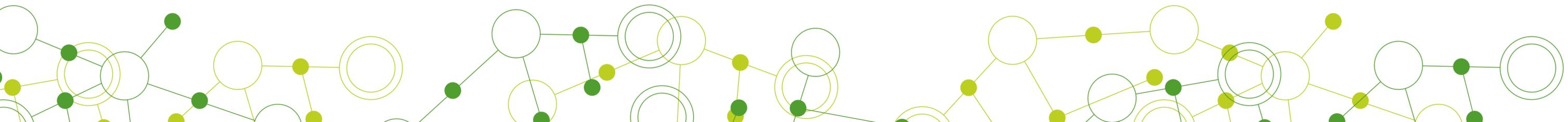
| GRI STANDARD TITLE | LOCATION | REMARKS |
|---|---|---|
| SOCIAL STANDARDS | | |
| GRI 403: Occupational Health and Safety (2018) | | |
| 403-1 | Occupational health and safety management system | Occupational health and safety, p. 33 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Active occupational health and safety activities in all Group companies, p. 34 Occupational health and safety, p. 33 |
| 403-3 | Occupational health services | Maintaining health and work ability, p. 34 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Active occupational health and safety activities in all Group companies, p. 34 |
| 403-5 | Worker training on occupational health and safety | Occupational health and safety, p. 33 |
| 403-6 | Promotion of worker health | Maintaining health and work ability, p. 34 |
| 403-8 | Workers covered by an occupational health and safety management system | Occupational health and safety, p. 33 |
| 403-9 | Work-related injuries | Occupational health and safety, p. 33 |
| GRI 404: Training and Education (2016) | | |
| 404-1 | Average hours of training per year per employee | Training and development p. 31 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Training and development p. 31 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | GRI Index |
| | | All our employees have the opportunity to have review and target setting discussions. |



| GRI STANDARD TITLE | | LOCATION | REMARKS |
|--|---|--|--|
| GRI 405: Diversity and Equal Opportunity (2016) | | | |
| 405-1 | Diversity of governance bodies and employees | Diversity, equality and ethical operations, p. 31 | |
| GRI 406: Non-discrimination (2016) | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Diversity, equality and ethical operations, p. 31 | No cases of discrimination in 2022. |
| GRI 408: Child Labor (2016) | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Supplier Code of Business Conduct and supplier evaluation process, p. 12 | The topic is not relevant to Algol's own operations. May be possible in certain parts of the supply chain. |
| GRI 409: Forced or Compulsory Labor (2016) | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Supplier Code of Business Conduct and supplier evaluation process, p. 12 | The topic is not relevant to Algol's own operations. May be possible in certain parts of the supply chain. |
| GRI 414: Supplier Social Assessment (2016) | | | |
| 414-1 | New suppliers that were screened using social criteria | Supplier Code of Business Conduct and supplier evaluation process, p. 12 | |
| GRI 416: Customer Health and Safety (2016) | | | |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | GRI Index | No violations in 2022. |
| GRI 417: Marketing and Labeling (2016) | | | |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | GRI Index | No violations in 2022. |



| GRI STANDARD TITLE | | LOCATION | REMARKS |
|---|--|---|------------------------|
| GRI 418: Customer Privacy (2016) | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | We continuously develop data protection and information security, p. 16 Whistleblowing channel for both internal and external use, p. 11 | |
| GRI 419: Socioeconomic Compliance (2016) | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | GRI Index | No violations in 2022. |



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- Algol Chemicals ApS, Denmark
- Algol Chemicals OÜ, Estonia
- Algol Chemicals India Pvt. Ltd., India
- Algol Chemicals SIA, Latvia
- UAB Algol Chemicals, Lithuania
- Algol Chemicals AS, Norway
- Algol Chemicals AB, Sweden
- TOV Algol Chemicals, Ukraine

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- Histolab ApS, Denmark
- Histocenter AB, Sweden

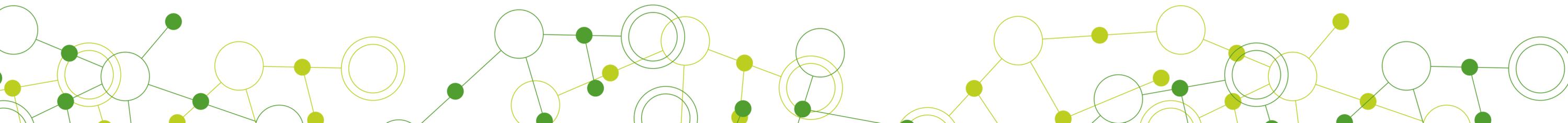
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Your supplier of value

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