

Environmental Policy

We are a birch wood processing company. We conduct our production and other business operations in a way that minimizes impact on the environment while ensuring compliance with international and European Union (EU) environmental requirements.

Our approach is to continuously develop our understanding of our operations and act to reduce and minimize the environmental impact while also preserving the socio-economic balance. We develop our operations taking into account existing and potential risks and opportunities caused by climate change, ensuring long-term resilience against climate change.

We afforest our owned land, responsibly and productively manage forests by following the "10-20-70" principle (defined in our Sustainability Policy), based on scientific research, we enhance carbon sequestration and preserve the biodiversity of these ecosystems. Despite our primary productivity mandate, we assess each property individually and consider opportunities for voluntary nature protection within our territory.

This Environmental Policy applies to all companies within the "Latvijas Finieris" group.

Latvijas Finieris Group environmental principles:

- **Carbon Emission Reduction**

In accordance with the EU climate goals, we are committed to mitigate carbon emissions throughout our value chain by selecting materials with a lower climate impact, optimizing transportation services, improving energy efficiency and increasing the share of renewable energy in all company processes.

- **Carbon Storage in Wood Products**

Wood products are natural carbon storage solutions that retain the carbon absorbed during tree growth throughout their entire lifespan, therefore we promote the production and use of plywood and other wood products, which contribute to climate change mitigation by replacing materials with a higher environmental impact in long-lasting solutions. We also support educating customers and other stakeholders about the benefits of wood products compared to alternative materials.

- **Circular Economy and Waste Management**

We support the EU circular economy principles in our production facilities by ensuring the use of wood processing by-products within the company or passing them on for further processing by other businesses. By directing the majority of production residues for processing and use in other industries, we reduce waste generation. We develop durable and long-lasting plywood products, reducing the need for replacements and promoting responsible consumption. Additionally, we seek sustainable solutions for managing products at the end of their lifecycle to enable material reuse.

- **Water Resource Management**

We use water resources responsibly, optimizing consumption and promoting its reuse in production processes. We manage wastewater responsibly and direct it to local municipal wastewater treatment facilities.

- **Chemical Safety**

We use and store chemical products in accordance with EU regulations and best practice standards. When developing new products, we replace hazardous chemicals with less harmful alternatives.

- **Biodiversity Protection**

We are aware that our operations have an impact on forest ecosystems and biodiversity, and we implement various protection and conservation measures defined in our Forest Management Plan.

- **Environmental Compliance and Continuous Improvement**

In the group's production facilities, we ensure full compliance with local environmental requirements, regularly monitor compliance, identify risks and opportunities, and implement improvements in processes.