

graanul
invest

Sustainability
Report 2025





Graanul Invest Sustainability Report 2025

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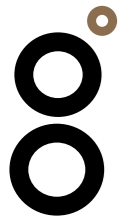
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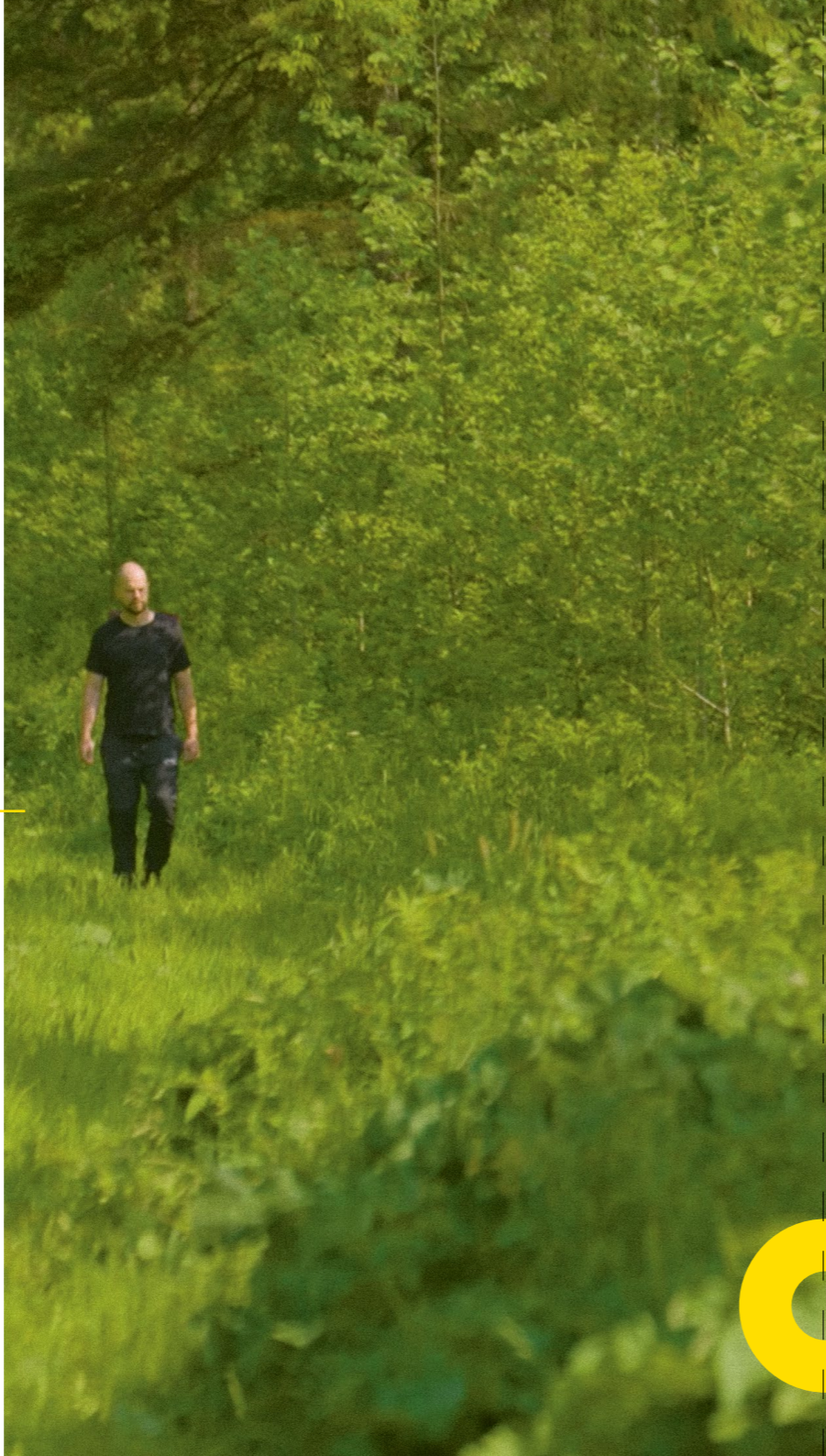


Graanul Invest Sustainability Report 2025



4 Introduction and summary by Mihkel Jugaste

Chief Sustainability Officer (CSO)



The past year has, in many ways, been about following through. What in 2024 was still a set of validated ideas and initiated projects has, in 2025, started to translate into more visible and measurable outcomes. At the same time, the broader environment has continued to shift—both the wood-based biomass sector and the wider energy system are evolving, but not always for the same reasons.

Across the pellet industry, changes in subsidy frameworks and tighter expectations on carbon performance are driving a more structural reset. Sustainability and very low carbon intensity are no longer differentiators – they are becoming the baseline, outside of which there are no viable paths forward (we told you so). In parallel, the wider energy system has reinforced the importance of reliability and the effective use of existing infrastructure. Delivering climate targets remains essential, but increasingly alongside ensuring stability and affordability.

For Graanul, this evolution aligns naturally with the direction we have taken over time. Our focus on flexible operations, responsible sourcing, and low carbon intensity was not built for a single market cycle, but as a long-term approach. What is changing now is that this positioning is becoming more relevant – and more visible – as market expectations catch up. The investments and projects highlighted last year are also starting to play a clearer role in shaping our next steps, including the gradual expansion towards a broader renewable energy platform (Keep an eye on our battery energy storage and flue gas condenser projects in 2026).

Operationally, this is reflected in a stronger year compared to 2024. Pellet production increased by around 15%, supported by improved raw material availability and a more balanced market environment. More importantly, several of the initiatives launched last year have begun to deliver in practice. Carbon intensity decreased to 6.39 gCO_{2e}/MJ—our best result

We believe that Graanul Invest is well positioned to deliver on both sustainability and energy security.

to date—demonstrating that incremental improvements across operations can translate into meaningful outcomes. At the same time, 89% of our energy consumption was covered by renewable sources, showing that solutions such as CHP optimisation, solar, and storage are increasingly integrated into day-to-day operations rather than remaining isolated projects. We are also seeing tangible results from vessel upgrades: adding sails to one of our coaster vessels reduced fuel consumption by 5.5% per nautical mile and significantly improved overall transport efficiency on a cargo-normalised basis. Taken together, these developments indicate a shift from individual project execution to a more structural transition. The building blocks identified earlier are starting to connect, making the overall system more efficient, resilient, and scalable.

“Following-through” was also visible in compliance, where we transitioned to SBP Standards 2.0, integrated RED III requirements into business-as-usual operations and ensured readiness to respond to the infamous EUDR data requirements, whether in full or limited scope.

At the same time, the fundamentals remain unchanged. Sustainability only has value if it is consistent in daily operations. Safe and disciplined execution, together with credible reporting, are prerequisites for everything else. While progress has been made, safety remains an area where our expectations are higher than current performance. Strengthening prevention, improving learning processes, and ensuring consistent leadership focus remain key priorities.

Looking ahead, the environment will continue to become more demanding—regulation, system complexity, and expectations on transparency are all increasing. This is not new to us. The difference now is that many of the capabilities required to operate in this environment are no longer under development—they are already part of how we work.

Europe’s drive for energy independence and more flexibility in its grid system will result in more homegrown firm power. Energy production based on sustainable wood pellets is available, cleaner than ever, and still scalable.

Graanul is in a good position to serve this “new era” in our core business, while continuing to build momentum towards a broader platform that produces and transports fuel, generates and stores energy, supports communities, and ensures high sustainability standards across the value chain.

About

Graanul Invest AS is a leading international company specializing in renewable energy, particularly in the production of wood pellets and the generation of electricity and heat from biomass. Established in 2003, the company operates in Estonia, Latvia, Lithuania, and the United States.

As a forefront player in renewable energy, Graanul Invest operates 12 modern pellet plants, 6 CHPs, and 4 carrier vessels in the Baltics and the U.S. We produce both premium-grade and industrial wood pellets of exemplary quality. Wood pellets are a sustainable, efficient, and economically beneficial energy source that can play a significant role in reducing greenhouse gas emissions and promoting renewable energy.

The company is committed to safety, sustainability and efficiency, implementing several management systems and certifications.

6 Graanul Invest operates under different brands in local markets, such as Latgran in Latvia and Woodville Pellets in the U.S. The company's vision is to globally develop the usage of renewable energy, and we are committed to finding better ways and more answers to meet the global climate challenge.

The group also focuses on climate resilience by investing in infrastructure, operational practices, and supply chain improvements to withstand extreme weather events and other climate-related disruptions. The company maintains year-round production scheduling to buffer against seasonal risks and implements a multi-port logistics strategy to mitigate risks from frozen waterways or transportation disruptions.



Our business targets are based on the following principles:

- Safest workplaces
- Biggest GHG savings potential
- Highest quality product
- Minimum environmental impact
- Best energy performance in production

Our vision

We exist to accelerate the science and perception of sustainable biomass.

Our mission

To globally develop the usage of renewable energy.

Our values

- We believe in our people and value their expertise highly.
- We believe solutions must be sought right now, every single day.
- We believe in the relentless pursuit of efficiency and learning.
- We value trust and transparency.
- We guarantee high quality and strive for innovation.

Our ambition in safety, health and sustainability

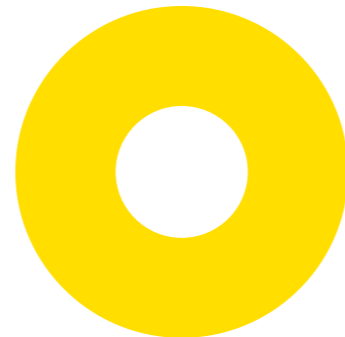
In 2025, Graanul Invest operations and results benefited from recovering demand in the European wood pellet market, with pellet production increasing by 15% compared to 2024. The Group's ability to proactively manage its raw material sourcing and supply chain, and optimize production and sales volumes through cycles, has allowed Graanul to strengthen its results and demonstrate its resilience in a dynamic market environment.

Our commitment to safety, health, and sustainability is at the core of everything we do. We strive to create a work environment where safety is not just a priority but a fundamental value. We believe that every accident is preventable, and through rigorous training and the implementation of cutting-edge safety technologies, we aim to eliminate workplace incidents. Our approach includes continuous coaching, real-time hazard detection, and comprehensive safety audits to ensure that our employees are always protected.

In our dedication to sustainability, we have integrated environmentally responsible practices into every aspect of our operations. We are committed to reducing our carbon footprint and promoting biodiversity. By utilizing renewable energy sources such as sustainably produced wood pellets, we contribute to the global effort to combat climate change. Our wood pellets are derived from pre-existing residue streams, ensuring minimal environmental impact while providing a reliable and efficient source of energy. This not only helps reduce reliance on fossil fuels but also supports the transition to a more sustainable energy future.

Our environmental management system is designed to monitor and minimize the impact of our operations. We regularly assess our emissions, energy use, and resource efficiency to ensure that we are operating in an environmentally responsible manner. This includes obtaining necessary environmental permits and continuously improving our processes to reduce our ecological footprint.

At Graanul Invest, we are passionate about creating a safer, healthier, and more sustainable world. Our commitment to these principles drives us to innovate and lead by example, ensuring that our operations not only meet but exceed industry standards. Through our efforts, we aim to make a positive impact on the environment and the communities we serve.



Management systems, certifications

Implementing management systems is crucial for us to guarantee efficient and compliant procedures. Quality systems assist us in managing our value chain efficiently and systematically, without underestimating potential risks or overlooking our set KPIs. Graanul Invest has implemented several management systems and has been certified within the following **standards**:

ISO 9001:2015 – Quality management systems

ISO 14001:2015 – Environmental management systems

ISO 45001:2018 – Occupational health and safety

ISO 50001:2018 – Energy management

SBP – Sustainable Biomass Program

FSC® – Forest Stewardship Council (certificate for Estonian and Latvian plants ended 01.04.2026)

PEFC – Programme for the Endorsement of Forest Certification

ENplus® – Pellet quality certification

DINplus – Pellet quality certification

The 2025 management and chain of custody system multi-criteria external audits were carried out in all 13 locations (including the head office). These audits were carried out following the standardized requirements of all the certification systems listed above. All 7 identified non-conformities from audits have been resolved and closed by the company ahead of the agreed deadlines.

The non-conformities identified in 2025 were primarily related to gaps in documentation and process evidence across ISO, ENplus, SBP, and DINplus requirements.

In 2025, Graanul Invest confirmed its group-level ESG targets, formalizing our long-term sustainability commitments.

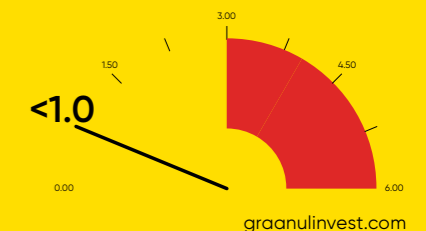
- E**
- Actual air emissions are 30% lower than the threshold established in the environmental permit.
 - Achieve a 10% reduction in carbon intensity by 2030 relative to 2024 levels.
 - Reduce the greenhouse gas emissions per ton of transported pellets from the shipping company, thereby contributing to carbon footprint reduction throughout the supply chain.
 - All combusted biomass completely complies with the requirements established by the Renewable Energy Directive (RED).
 - Achieve 100% SBP-compliant pellet production.
 - The proportion of total waste that has been recycled is 99%.
 - The maximum total water consumption is 0.1 m³ per ton of pellets.

- S**
- Zero work-related accidents.
 - Total Recordable Incident Rate is zero.
 - Achieve a total customer satisfaction score that is at least 5% higher than last year's score.
 - Each year, the group allocates funds to projects aimed at reducing noise and air pollution that impact local communities.

- G**
- Delivering a return on investment to our shareholder.
 - Enhance quality according to established standards by reducing non-conformities and complaints compared to 2025.
 - Implement and expand the transport and logistics IT system.
 - Reduce material handling-related costs (min ton/liter).
 - Reduce costs related to spare parts and consumables through competitive bidding (max EUR/ton).

Our expectations are in line with our current ambitions and therefore remain the same.

Each factory is assigned specific indicators to monitor the achievement of objectives.



Environment



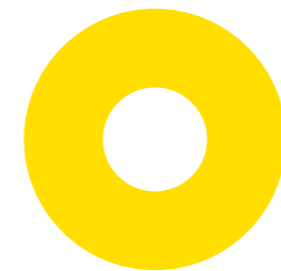
GHG emissions

The greenhouse gas (GHG) monitoring and reporting are based on The Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and follow the standard requirements.

For many European companies, Scope 3 emissions represent the largest share of total greenhouse gas (GHG) emissions, typically accounting for approximately 75–95% of the overall carbon footprint. This reflects the broad scope of value chain emissions, including both upstream and downstream activities such as purchased goods and services, transportation, and the use of sold products.

According to CDP, approximately 92% of emissions disclosed by European companies in 2022 were Scope 3 emissions, with the largest contributors being the use of sold products and purchased goods and services.

These findings highlight the importance of effective Scope 3 emissions management in achieving corporate climate targets and reducing overall environmental impact.



A summary of our footprint:



! Please see the next chapter for more information on scopes and a breakdown of emissions.

Distribution of GHG emissions into scopes

Scope 1	Scope 2	Scope 3
Direct emissions from owned or controlled sources.	Indirect emissions from the generation of purchased energy.	Other indirect emissions that occur in the value chain.
10.73%	22.72%	66.55%

GHG emissions Scope 1-3 (S1, S2, S3)

Scope (CO ₂ e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S1 Stationary Combustion	13,919		16,308		17,565**		16,488	
S1 Mobile Combustion	26,837	41,290	20,076	36,653	26,160	44,029**	23,391	40,322
S1 Refrigerants	534		270		304		443	
S2 Purchased electricity (market based)	82,926	82,926	89,702	89,702	64,819	64,819	85,423	85,423
S2 Purchased electricity (location-based)	171,093	171,093	191,304	191,304	172,075	172,075	170,550	170,550
Not included in total.								
S3 Purchased Goods and Services	-		1,628*		61,166		40,174	
S3 Capital Goods	-		-		6,906		6,901	
S3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	4,346*		8,338		11,499		10,698	
S3 Upstream Transportation and Distribution	19,754		16,836		15,658		17,019	
S3 Waste Generated in Operations	-	81,589	-	161,388	170	232,640	137	250,200
S3 Business Travel	-		315		434		541	
S3 Employee Commuting	-		629		572		932	
S3 Downstream Transportation and Distribution	57,489		66,055		44,101		45,409	
S3 Use of Sold Products	-		67,587		72,371		112,802	
S3 Downstream Leased Assets	-		-		19,763		15,586	
TOTAL	205,805		287,743		341,488		375,945	

*Not all data available for 2022 and/or 2023
- Data not available for 2022 and 2023

** 2024 Scope 1 figures have been restated following a correction to the Woodville factory natural gas volume

Own emission: Scope 1, Scope 2

GHG emissions Scope 1 and 2 (S1, S2)

Scope (CO ₂ e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S1 Stationary Combustion	13,919		16,308		17,565*		16,488	
S1 Mobile Combustion	26,837	41,290	20,076	36,653	26,160	44,029**	23,391	40,322
S1 Refrigerants	534		270		304		443	
S2 Purchased electricity (market-based)	82,926	82,926	89,702	89,702	64,819	64,819	85,423	85,423
S2 Purchased electricity (location-based)	171,093	171,093	191,304	191,304	172,075	172,075	170,550	170,550

*Not all data available for 2022 and 2023

** 2024 Scope 1 figures have been restated following a correction to the Woodville factory natural gas volume

Scope 1 emissions are direct emissions from owned or controlled sources:

- Stationary Combustion** - production of heat and power, material drying, facility heating
 - This includes incineration of wood residues, small quantities of diesel and natural gas.
- Mobile Combustion** - company owned or operated vehicles
 - Emissions from trucks/loaders and passenger cars (based on diesel and petrol consumption) and from vessels.
- Fugitive Emissions** - process cooling and refrigeration
 - Minor leaks of refrigerants during cooling buildings.

In 2025, Scope 1 emissions totalled 40,322 CO₂e tons. Stationary Combustion accounted for 16,488 tons, Mobile Combustion for 23,391 tons, and Fugitive Emissions (refrigerants) for 443 tons.



Scope 2 emissions are indirect emissions from the generation of purchased energy:

Purchased and Used Electricity - facility electricity supply

- Purchased electricity market-based - Emissions from electricity consumption delivered from the grid reflecting residual mix country factors.
- Location-based - emissions from electricity consumption delivered from the grid reflecting average grid factor.

In 2025, our Scope 2 emissions increased by 20,604 CO₂e tons compared to 2024, reflecting higher electricity consumption from the grid due to increased production volumes and the modernisation of existing operations. During the year, the Group continued to invest in the upgrade of existing production equipment and supporting infrastructure, including conveying systems, process automation, and the installation of additional aspiration, filtration, and ventilation-related systems. While these investments improve operational reliability and process efficiency, they also contribute to increased electricity demand due to the use of higher-capacity equipment and additional electrically powered systems.

Scope 3 emissions refer to all indirect emissions that occur in the value chain of the reporting company, excluding those covered in Scope 1 and Scope 2. These emissions are a result of activities from assets not owned or controlled by the organization but that the organization indirectly affects its value chain. From 2024 all Scope 3 categories are covered in Graanul Invest greenhouse gas report.

30% of all greenhouse gas emissions are related to transportation, amounting to 112,103 tons of CO₂e. This includes 21% from the fuel consumption of company-owned cars, loaders, and shipping vessels; 15% from raw material transportation; 40% from product transport to clients via road, rail, and maritime methods; 14% from leased assets such as vessels rented out; and 10% from the extraction, refining, and transportation of fuels used by company-owned vehicles.

Downstream Transportation and Distribution emissions decreased by 3% compared to 2024. Scope 1 emissions under Mobile Combustion also decreased by 11% compared to 2024.

Product usage is the largest contributor to Scope 3 emissions, assuming all sold pellets are incinerated. It accounts for 44% of Scope 3 and 29% of total GHG emissions.

In 2025, transmission and distribution (T&D) losses emissions increased due to higher electricity consumption from the grid, in line with increased Scope 2 emissions.

In addition to the fossil greenhouse gas emissions above, biogenic CO₂ emissions from the combustion of biomass amounted to 714,181 CO₂e tons in 2025. These emissions are reported separately and are not included in the Scope 1, 2 or 3 totals, in accordance with GHG Protocol reporting standards.

More than ever, we are ready to help you decarbonize!

GHG emissions Scope 3 (S3)

Scope (CO ₂ e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S3 Purchased Goods and Services	-		1,628*		61,166		40,174	
S3 Capital Goods	-		-		6,906		6,901	
S3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	4,346*		8,338		11,499		10,698	
S3 Upstream Transportation and Distribution	19,754		16,836		15,658		17,019	
S3 Waste Generated in Operations	-	81,59	-	161,38	170	232,64	137	250,200
S3 Business Travel	-		315		434		541	
S3 Employee Commuting	-		629		572		932	
S3 Downstream Transportation and Distribution	57,489		66,055		44,101		45,409	
S3 Use of Sold Products	-		67,587		72,371		112,802	
S3 Downstream Leased Assets	-		-		19,763		15,586	

We continue to report comprehensively across all Scope 3 categories, including purchased goods & services, capital goods, waste, and downstream leased assets, ensuring full transparency of our value chain emissions.

*Not all data available for 2022 and/or 2023 - Data not available for 2022 and 2023.



Scope 3 emissions, other indirect emissions that occur in the value chain:

Purchased Goods and Services	Emissions of purchased goods and services are based on Graanul Invest Group consolidated income statement. Separately water supply and sewage service emissions are calculated which are based on actual consumed water amount and purchased packing material which is based on actual packing material amount. Calculated emissions cover extraction, primary processing, manufacturing and transportation materials to the point of sale of plastic films, big-bags and pallets.
Capital Goods	Emissions of capital goods are based on investment cost in the reporting year.
Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Includes: 1) Upstream emissions of purchased fuels – calculation is based on consumed amount in reporting year. Calculated emission covers extraction, refining and transportation of the raw fuel sources to a site. 2) Transmission and distribution (T&D) losses - losses that happen during the transmission of electricity from grid to our facilities. 3) Generation of purchased electricity that is sold to end users - electricity is bought from grid and sold to third parties. Marked-based emission coefficient is applied.
Upstream Transportation and Distribution	Emissions of trucks which carry raw material (chips, sawdust, round wood) for pellet plants and CHPs based on driven kilometers (assumed that the truck will return empty). Emissions based on kilometers and tonnage delivered by rail transportation and by vessels.
Waste Generated in Operations	Emission calculation is based on waste amount and disposal methods. For landfills, emissions include collection, transportation and landfill emissions (gate to grave). For combustion and recycling, the emissions consider transport to an energy recovery or materials reclamation facility only. Separately calculated emissions of trucks which carry ash from plants to fertilizer user. Emissions based on driven kilometers (assumed that truck will return empty).
Business Travels	All travels made by GI employees by plane, bus, train etc. Including public transport usage and hotel stays.
Employee Commuting	All employees home-work-home travels, who do not own company car.
Downstream Transportation and Distribution	Emissions from fuel used to transport pellets to final delivery points or ports are calculated based on distance travelled. For Woodville, the calculation assumes that trucks return empty. Emissions based on kilometers and tonnage delivered by rail transportation and by vessels.
Use of Sold Products	All sold pellets. It is assumed that all pellets are burned.
Downstream Leased Assets	Emissions are based on consumed fuel amount when GI's vessels are rented out.

Cooperation to reduce GHG emissions GHG emissions reduction and renewable energy

One of our key performance indicators is the Sustainability Performance Target (SPT), which aims to achieve a 10% reduction in carbon intensity (Scope 1, 2 and 3) by 2030 compared to 2024 levels.

Carbon intensity (gCO₂e/MJ) split by:	2018	2019	2020	2021	2022	2023	2024	2025
<i>Sourcing</i>	7.70	7.45	7.08	6.63	6.83	7.03	6.61	6.39
<i>Production</i>	-	-	3.50	3.41	3.62	3.60	2.99	3.37
<i>Transportation</i>	-	-	2.79	2.55	2.51	2.52	2.64	2.36

In 2025, carbon intensity decreased to 6.39 gCO₂e/MJ, representing a 3.3% reduction compared to the 2024 baseline of 6.61 gCO₂e/MJ. This indicates continued progress towards the Group's Sustainability Performance Target (SPT) of achieving a 10% reduction in carbon intensity (Scopes 1, 2 and 3) by 2030 compared to 2024 levels.

The improvement was primarily driven by a reduction in transportation-related emissions, which decreased from 2.64 to 2.36 gCO₂e/MJ, supported by optimization of logistics activities and transport distances. In addition, sourcing emissions declined from 0.98 to 0.66 gCO₂e/MJ, reflecting changes in raw material sourcing patterns and lower upstream emission factors.

Production-related emissions increased from 2.99 to 3.37 gCO₂e/MJ, mainly due to higher electricity consumption associated with equipment upgrades, automation projects and supporting infrastructure. However, the increase was more than offset by improvements in sourcing and transportation emissions, resulting in an overall reduction in carbon intensity.

Compared to the 2024 baseline year, the Group has achieved approximately one-third of the reduction required to meet its 2030 SPT target, demonstrating positive early progress towards its long-term decarbonisation pathway.

Performance across sites varied, with the best-performing plant, Incukalns, achieving a carbon intensity of 3.31 gCO₂e/MJ, highlighting the potential for further improvement across the Group.



"Most of the 2025 investments at the Incukalns plant were related to maintenance and operational improvements rather than growth projects. Although their impact is often difficult to measure using quantitative indicators, these upgrades contribute to more stable processes and support continuous efficiency improvements across operations."

Aleksandrs Zjatkovs,
Factory Manager of the Incukalns pellet plant

Renewable energy

We have six modern combined heat and power (CHP) plants in Estonia and Latvia producing renewable thermal energy and electricity for the pellet factories by using sustainably sourced forest chips and tree bark from our debarking lines and from nearby sawmills. One of our key sustainability indicators is the specific consumption of electricity (kWh per ton of pellets produced). In 2023 and 2024, the Group's average electricity intensity remained stable at 160.7 kWh/t and 160.9 kWh/t, respectively.

In 2025, the indicator improved to 158.59 kWh/t, representing a 1.46% reduction compared to 2024 and a 1.31% reduction compared to 2023.

Our overall energy consumption (electricity + heat) was:

2,105 GWh in 2023 **1,593 GWh in 2024** **2,071 GWh in 2025**

Our overall energy consumption (electricity + heat) decreased from 2,105 GWh in 2023 to 1,593 GWh in 2024, in line with lower production volumes.

In 2025, total energy consumption increased again to 2,071 GWh, reflecting higher production activity compared to 2024.

Overall, the trend shows that production volumes are a key driver of absolute energy consumption, while year-to-year changes in energy intensity are influenced by operational conditions and the commissioning of additional supporting systems.

In 2025, renewable sources supplied 97% of total thermal energy consumption and 89% of total energy consumption, including grid electricity, demonstrating the Group's strong progress in reducing reliance on fossil-based energy.

This achievement represents a significant improvement from 93% in 2024 and underscores our commitment to sustainability and our dedication to reducing our environmental footprint by leveraging cleaner energy solutions.

Building on the successful experience from the Incukalns installation, in December 2025 we completed a flue gas condenser project at the Osula CHP plant – our largest single environmental investment to date, totalling €3.8 million, partially supported by a €1 million subsidy.

The condenser captures heat from CHP flue gases that would otherwise be lost to the atmosphere and redirects it to the drying process, reducing the plant's primary heat energy consumption.

Also commissioned in December 2025, an 8 MW / 15 MWh battery storage system at the Osula CHP enables the company to participate in electricity frequency reserve markets (mFRR and aFRR), providing grid balancing services that support electricity network stability. This will be a major new direction in 2026 and likely all our CHPs will receive energy storage capabilities (BESS).

In 2024 Ebavere Graanul has established a solar power plant on its premises to cover part of its energy needs with locally produced renewable energy. In 2025, this solution continued to reduce the amount of electricity purchased from the grid and strengthened the company's operational security. The use of solar energy reduces the amount of electricity purchased from the grid, which is predominantly produced from fossil fuels. This, in turn, helps to increase the company's energy security and further reduces its dependence on fossil fuels. As part of the same project, an electrochemical battery-based energy storage system was also installed, allowing the storage of excess electricity during periods of favorable prices. This storage solution provides flexibility to use the collected energy precisely when consumption is higher or when market prices are higher.

"Although a solar park and battery storage system were installed at the Ebaavere plant in 2024, the overall electricity consumption is influenced by multiple factors, including raw material quality, fluctuations in production volumes, the addition of new equipment, and technical losses within the energy infrastructure,"

Arli Liivalaid,
Electrical Engineer of Ebaavere plant

Air pollution

All our production units are highly efficient and equipped with advanced air pollution control filters. Our factories operate under strict environmental permits that restrict our emissions of various air pollutants and mandate the measurement and assessment of our pollution control systems' efficiency. We regularly update and replace our air pollution control units to maintain optimal performance. Our emission sources include the storage of raw materials, processing woody biomass, combustion of biomass for heat and electricity production, use of fossil fuels, drying and cooling, and operations within our pellet production units. The pollutants emitted and monitored throughout our processes include heavy metals, solid particles, NMVOC, NOx, CO, SO₂, NH₃, and CO₂.

Reducing air pollution

Our objective is to remain significantly below the thresholds established by our environmental permits and to identify strategies that will further reduce pollutants throughout our production and value chain.

The table below presents the group's total air emissions from stationary combustion sources compared to permitted thresholds for 2024 and 2025. Our ESG target requires actual emissions to remain at least 30% below the environmental permit threshold for all key pollutants.

Pollutant	2024 (tons)	2025 (tons)	Permit threshold (tons)	% below permit
CO	1,381.0	1,334.9	3,316.1	59.7%
NO _x	808.6	823.6	2,083.0	60.5%
SO _x	16.5	16.8	44.4	62.2%
NMVOC	40.0	48.9	186.7	73.8%
PM-sum	707.9	666.7	2,151.4	69.0%

* SO_x and NMVOC data are not available for all operating locations, as these pollutants are not declared under environmental permits in certain jurisdictions (Latvia, Lithuania). Where data is unavailable, values are excluded from the group total. CO, NO_x and PM-sum cover all group facilities.

Flue gas condensers at our Incukalns and Osula CHP plants reduce greenhouse gas emissions and pollutants by capturing and reusing heat that would otherwise pollute the air. As described in the Renewable Energy section, the Osula condenser – completed in December 2025 – represents a significant step forward in both energy efficiency and emissions reduction.

In 2025, the Gulbene plant completed an upgrade of its cooler filtration systems. New filters installed in the pellet cooling process improve the capture of solid particles, reducing particulate emissions from one of the production line's key emission sources.

In 2025, the Maier aspiration systems in Gulbene and Jekabpils were upgraded to address significant wear and ensure reliable operation of the aspiration process, including cyclone replacement and related structural works.

In 2025, insulation of cooler pipes and cyclones was implemented at the Incukalns plant to prevent condensation-related blockages and protect filtration equipment, thereby reducing the risk of dust emissions to the surrounding environment.

"Insulating the pipes and cyclones is essential to prevent condensation during winter, which can block the system and lead to damage of filter bags, potentially resulting in unfiltered dust emissions and environmental pollution,"

Jānis Mickevčs,
Production Manager of the Incukalns plant



Water use

Graanul Invest group uses water to produce heat and electricity in CHPs and for maintenance functions in its pellet plants. Given the global importance of freshwater conservation, it is essential to minimize consumption. According to our current water risk analysis, the overall water risk in the countries where we operate, as evaluated by the World Resources Institute, ranges from low to medium.

Water use data

The volume of water withdrawn (group): 266,410 m³. Includes all water withdrawn from freshwater sources (ground water and municipal water supply).

Total water consumption

Total water consumption (m ³)	2022	2023	2024	2025
	226,494	243,925	264,476	266,410

Total water consumption from public water supply and total wastewater discharged to public sewage is also part of greenhouse gas emissions, Scope 3.

	2023	2024	2025
Total water consumption from public water supply (Group) (m ³)	29,648	24,350	16,619
Total wastewater discharged to public sewage (Group) (m ³)	23,619	16,958	10,244

Water use efficiency

Water consumption per ton of pellets is influenced by production volumes. In 2025, pellet production increased significantly compared to 2024, resulting in improved water use efficiency. Consequently, water consumption per unit of pellet production decreased from 0.123 m³/t in 2024 to 0.111 m³/t in 2025.

	2020	2021	2022	2023	2024	2025
Water usage (m ³) per 1t pellets	0.092	0.096	0.098	0.099	0.123	0.111

Logistics and transport

One of our primary Key Performance Indicators (KPIs) in logistics is the raw material procurement radius. Consequently, we select suppliers that are in close proximity to our production sites. This strategy enhances cost-efficiency, reduces our logistical footprint, and ensures production stability.

The weighted average raw material procurement radius across the Graanul Invest Group was 43.48 km in 2023, 49.25 km in 2024, and 49.85 km in 2025.

Our factories monitor fuel consumption KPIs during production to reduce usage. In 2024, the indicator was 1.58 ton/liter, increasing to 1.75 ton/liter in 2025. This means plants have used loaders more efficiently, moving 1.75 tons of material with 1 liter of diesel—11% more than in 2024.

Maritime transport is vital to the EU economy and energy-efficient, but it significantly contributes to greenhouse gas emissions. From January 2024, the EU's Emissions Trading System (EU ETS) covers CO₂ emissions from large ships (5,000 gross tonnage and above) entering EU ports, regardless of their flag. Graanul Invest's four vessels are included in this system. We closely monitor and annually report our emissions, fuel consumption, distance travelled, time at sea, and cargo carried per voyage.



In addition to greenhouse gas emissions reported under Scopes 1–3, our vessels also emit air pollutants that are tracked separately. The table below shows SO_x, NO_x and particulate matter (PM) emissions per vessel in 2025. Greenhouse gas emissions (CO₂, CH₄, N₂O) are excluded as these are included in the GHG scope calculations above.

Vessel upgrades and performance

In 2024 and 2025, we upgraded our vessels with special fuel saving systems and equipment. This helped cut down fuel costs and expenses related to Emissions Trading Schemes in the maritime industry. Growing interest was placed on emerging technologies that help to improve ship efficiency and sought out the most viable solutions which can offer cost savings and environmental sustainability.

Fuel-saving techniques have become of growing importance to companies seeking cost reduction and better environmental performance. This section deals with an overview of some fuel-saving methods, looking at their effectiveness, return on investment, and overall impact on vessel operations.

Following the shipyard upgrades, MV Launkalne uses 5.5% less fuel per nautical mile. More significantly, when measured on a cargo-normalised basis using EEOI (CO₂ per ton-mile) – the standard metric for ESG and regulatory reporting – overall transport efficiency improved by 20.5%. The vessel also carried on average 9.4% more

Vessel	SO _x (tons)	NO _x (tons)	PM (tons)
MV Alytus	136.2	283.5	34.0
MV Helme	33.7	148.5	13.0
MV Imavere	15.5	204.9	14.0
MV Launkalne	10.0	112.4	7.8
Total	195.4	749.3	68.8

cargo after the upgrade. The total project cost was €696,215, with an estimated annual benefit of €403,235 from fuel savings and EU Emissions Trading System penalty avoidance – implying a payback period of approximately 1 year and 9 months. The operational data and calculations have been verified by a third-party auditor. Based on post-upgrade performance, the annual fuel saving is estimated at 436 tonnes, corresponding to a reduction of approximately 1,403 tonnes of CO₂ per year.

Building on the results achieved with MV Launkalne, the technology is being evaluated for implementation across the fleet.

“Upgrading the vessel has significantly improved transport efficiency, allowing us to move more cargo with lower fuel consumption and reduced CO₂ emissions per ton-mile.”

Linards Jaunzems,
Head of Logistics

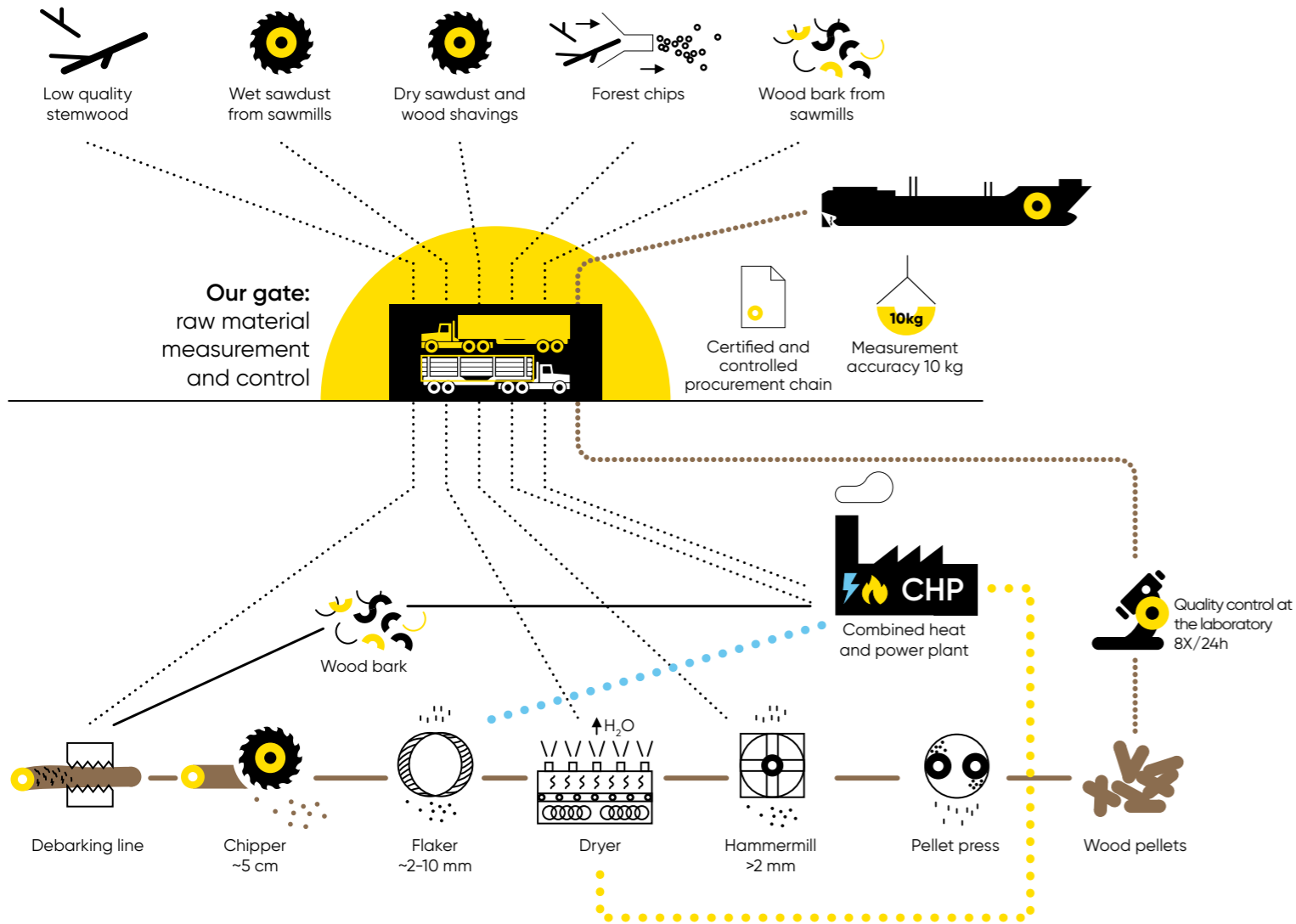
MV Alytus and MV Helme are scheduled for dry dock in 2026, where silicon-structure anti-friction paint will be applied to the hull, targeting a 3–4% reduction in fuel consumption per vessel.

Conventional antifouling coatings are primarily designed to inhibit biofouling through the leaching of biocides, which can harm marine ecosystems. Low-friction antifouling coatings make use of technologies that create an ultra-smooth surface that discourages the attachment of organisms and significantly reduces the friction between the hull and the water. These are silicone-based, fluoropolymer-based, or even nano-technology-based.



Pellet production and raw materials

Graanul Invest is one of the world's largest producers of wood pellets with a production capacity of 2.85 million tons. The group's 12 wood pellet plants are located in Estonia (4), Latvia (6), Lithuania (1), and the United States (1).



Production volumes

From a production perspective, 2025 showed clear improvement compared to the previous year, supported by significantly better raw material availability during the second half of the year. Throughout the year, production operations were affected by fluctuations in weather conditions and market demand, which influenced raw material flows and overall production capacity.

Despite these challenges, total production volumes across the factories increased by approximately 15% compared to 2024, reflecting improved operational resilience and recovery from earlier raw material shortages. At the same time, volatile energy prices created challenges for production planning, as energy cost optimization measures influenced production volumes during certain periods.

"2025 was a positive year from a production perspective, particularly due to the significant improvement in raw material availability during the second half of the year. Despite notable fluctuations caused by weather conditions and market demand, the Group achieved an approximately 15% increase in production volumes compared to 2024, demonstrating a strong recovery from previous raw material constraints."

Kert Kruusimägi,
Raw Material Purchasing and Production Manager

Premium pellet production fell 24% from 118,479 tons in 2024 to 90,128 tons in 2025.



(tons)	2022 (tons)	2023 (tons)	2024 (tons)	2025 (tons)
Estonia	912,994	860,965	673,736	777,280
Latvia	1,013,329	1,088,388	1,046,816	1,135,419
Lithuania	88,372	77,254	80,983	120,573
USA	305,144	315,148	278,306	353,616



Raw materials for wood pellets



Wood shavings and dry sawdust are sourced from companies that add value to sawn timber as their raw material. These post-processing by-products have a low moisture content and fine fraction, making them highly suitable for our manufacturing operations. We exclusively use chemical-free raw materials because chemically processed by-products, which may contain varnishes and glues, are incompatible with our production process.

Wet sawdust, a major by-product of the sawmilling process, has been traditionally utilized in pellet production due to its minimal processing requirements, fine fraction and consistent quality.



Low-quality stem wood is received as residue from forestry operations when it can no longer be valorized for other industrial purposes. Additionally, we incorporate scrapped wood from sawmills, which may contain warped, damaged or foreign materials, such as pieces of metal, that could pose risks to equipment and workers. Forest management activities such as clear-cutting and thinning also produce lower-quality wood when falling smaller, inferior trees to make space for the growth of higher-quality ones.

Wood chips derived from the sawmill and timber industries are produced from processed sawn logs offcuts that have already been debarked, resulting in uniform fractions and high-quality fiber.

Raw materials for electricity and heat generation



Forest chips primarily consist of fine branches, brush, and other logging residues, often containing soil and sand that render mechanical processing impractical. These chips, distinct in composition and appearance from sawing residue chips, play a crucial role in our CHPs and drum-dryers, where they are utilized to generate renewable electricity and heat.

Tree bark is obtained from debarking lines in our factories and sawmills. Mechanically stripped from logs, the bark is directed towards renewable energy production, ensuring the optimal use of every gram of wood.

"The renovation of the raw material storage area improved material quality by preventing contamination from gravel and ensuring smoother handling conditions,"

Andrus Rännik,
Factory Manager of the Imavere plant

Our raw material consumption

In comparing the raw materials used for pellet production between the years 2024 and 2025, several changes can be observed. The proportion of sawmilling and wood industry residues, including wood chips, sawdust, shavings, and off-cuts, saw a slight decrease from 33.71% in 2024 to 32.99% in 2025. Specifically, wood chips increased slightly from 15.25% to 15.57%, an increase of 0.32 percentage points. Conversely, sawdust and shavings decreased slightly from 18.24% to 17.13%, a decrease of 1.11 percentage points. On the other hand, the use of low-quality stem wood slightly increased from 66.51% in 2024 to 67.01% in 2025, showing an increase of 0.50 percentage points. These changes highlight the continued relative stability in raw material composition, with low-quality stem wood remaining the dominant input.

Our pellet and cogeneration plants utilize residues from sawmills and forestry, in accordance with circular economy principles. We follow the cascading concept, which involves using wood biomass that cannot be recycled or processed by higher value-added industries.

Raw materials used for pellet production

	2022	2023	2024	2025
Sawmilling and wood industry residues, including:	43.40%	31.86%	33,71%	32.99%
<i>Wood chips</i>	26.00%	19.00%	15,25%	15.57%
<i>Sawdust and shavings</i>	17.00%	12.69%	18,24%	17.13%
<i>Off-cuts</i>	0.40%	0.17%	0,22%	0.30%
Low-quality stem wood	56.60%	68.14%	66,51%	67.01%

Our pellet and cogeneration plants utilize residues from sawmills and forestry, in accordance with circular economy principles.



Where do our raw materials come from?



We source raw materials as close as possible to our factories to reduce transport-related carbon emissions. By relying mainly on wood industry residues from nearby areas, we keep our supply chain efficient and environmentally responsible. Careful management of raw material flows also helps us maintain a local supply base without disrupting domestic transport networks or competing with other industries and regions for resources. In recent years, most of our raw materials have come from Latvia, Estonia, and Lithuania, with Latvia as the largest source. In 2025, 58.40% originated from Latvia, 35.95% from Estonia, and 5.19% from Lithuania. This sourcing approach supports both lower emissions and our commitment to sustainable bioenergy production.

Raw material origin by country in the Baltics

	2022	2023	2024	2025
Latvia	46.03%	51.25%	58.02%	58.40%
Estonia	46.56%	44.79%	38.18%	35.95%
Lithuania	4.93%	3.74%	2.94%	5.19%
Poland	0.07%	0.04%	0.68 %	0.33%
Sweden	1.49%	0.19%	0.03%	0.01%
Finland	0%	0%	0.14%	0.12%
Belarus	0.59%*	0%	0%	0%
Russia	0.04%*	0%	0%	0%

* We immediately stopped all imports from Russia and Belarus after Russia attacked Ukraine on 24th of February 2022.

The raw material used at the Woodville pellet plant in Texas, USA, is 100% sourced from the USA.

We produce premium-grade and industrial wood pellets

We maintain sufficient warehouse capacity to support the reliable supply of industrial pellets and to reduce the risk of disruptions associated with climate-related events. In the Baltic region, flat hangar-type warehouses are used to preserve pellet quality and ensure safe handling conditions.

Pellet production is based on forestry and timber residues. However, climate-related factors may affect both the availability and moisture content of raw materials. Periods of heavy rainfall and mild winters can increase energy demand in the production process and may require sourcing raw materials from more distant locations, thereby increasing the procurement and logistics footprint.

The Renewable Energy Directive (RED) has established regulations for our sector. To adhere to these requirements and demonstrate compliance, FSC® and PEFC® certifications, which only cover the initial part of the supply chain, are insufficient. To ensure the efficiency of sustainable forestry, logistics, and production chains, the SBP certification is utilized, which has become a significant standard in the wood-based bioenergy sector. SBP has developed a system and a third-party verified data platform that enables accurate identification and regulation of all fuel consumptions and greenhouse gases associated with production. This allows us and our clients to assess the sustainability potential of biomass and fulfill the requirements of RED.

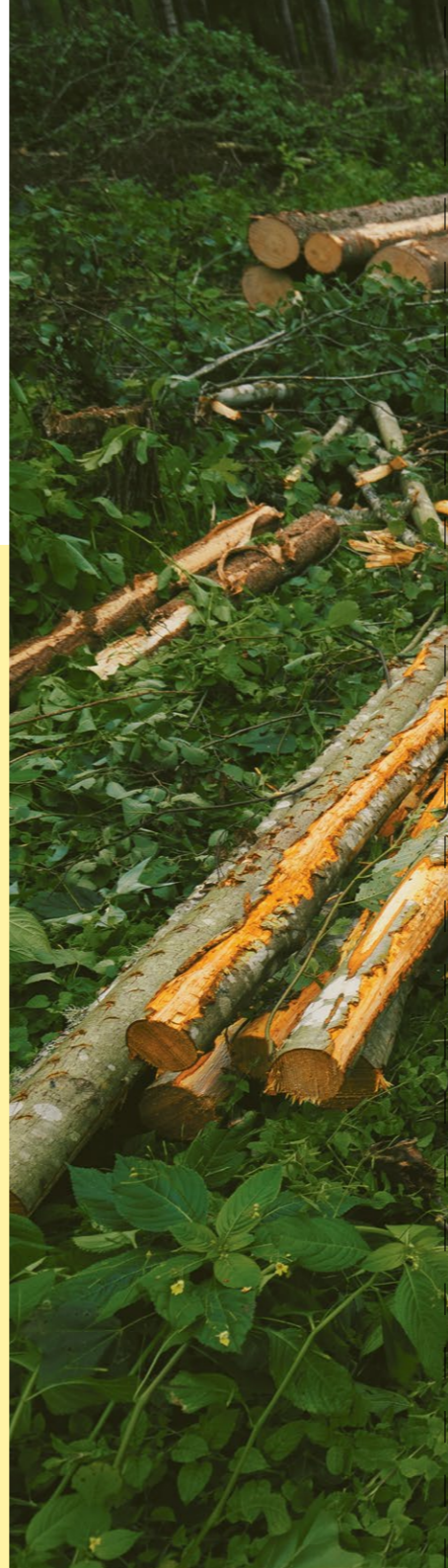
Already 95.7% of the materials sold by Graanul Invest are "SBP-Compliant", which meet the highest requirements of the SBP. Our quality of premium wood pellets exceeds the strictest requirements in the market, laid down in standards ENplus® and DINplus. The entire production of our premium pellets complies with the requirements of the highest quality class ENplus A1.

In 2025, the average pellet fines content across the group was 1.07%, slightly above the 2024 result of 1.05%, but well below the target threshold of 2%, confirming consistently high pellet quality.

The net calorific value (NCV) target of 17.5 GJ/t for pellets delivered to shipping customers was met in 2025, confirmed through laboratory analyses of vessel cargo samples.

Graanul Invest has launched g Graanul, a premium pellet brand developed for Baltic customers. Produced locally from regional biomass, the product supports Baltic energy security and promotes the wider use of renewable energy.

Our aim is to provide local consumers with reliable access to high-quality, environmentally responsible wood pellets at an affordable price. By offering locally produced pellets, we seek to strengthen confidence in renewable heating solutions and ensure product availability for households using wood pellets for heating.



Waste generation volumes

The yearly production of waste typically exhibits minor variations.

In 2025, the total non-hazardous waste increased to 31,223 tonnes, up from 23,910 tonnes in 2024, driven mainly by increased wood ash volumes and higher production at the Woodville plant. Hazardous waste decreased slightly to 124 tonnes (2024: 130 tonnes).

The non-hazardous waste that is generated during our operations are paper and cardboard, packaging waste (plastic, metals), scrap metal, municipal waste, biowaste, CHP sand and ash. Main hazardous waste streams are oily water from oil/water separators, fluorescent tubes, batteries, absorbents, filter materials, wiping cloths, chemicals waste, packaging containing residues of hazardous substances, engine-, gear- and lubricating oils, metal sludge (grinding sludge). All waste is handed over to companies who have appropriate environmental permits.

The main part of non-hazardous waste is ash from boilers and furnaces. In 2025, 22,846 tonnes of ash were reused or recovered. This compares to 19,841 tonnes in 2024 and 20,631 tonnes in 2023.

The principles of the circular economy continue to play an increasingly important role in modern waste management and resource efficiency. Across industries, the focus is shifting from traditional waste disposal towards maximizing material recovery, reuse, and recycling in order to reduce environmental impacts and preserve natural resources. By applying innovative technologies, improving material traceability, and strengthening cooperation across the value chain, companies are able to turn production residues and waste streams into valuable secondary resources. In addition to reducing landfill volumes and greenhouse gas emissions, these practices support energy efficiency, responsible resource use, and long-term sustainability goals. The transition towards circular business models also contributes to local economic development, encourages innovation, and helps build a more resilient and environmentally conscious society.

Most waste generated in Graanul Invest is reused or recycled. 91% of non-hazardous waste is recycled or reused, and 79% of hazardous waste is recycled.



Waste generation volumes in 2022-2025

Waste type	2022 (tons)	2023 (tons)	2024 (tons)	2025 (tons)
Non-hazardous waste	21,332	21,460	23,910	31,223
Hazardous waste	124	88	130	124

Combined heat and power (CHP) plants and solar energy

Graanul Invest operates six modern combined heat and power plants in Estonia and Latvia. Using forestry wood residues, they produce thermal energy and electricity. The energy production units are situated next to the larger pellet plants, supplying them with heat and electricity. The power and cogeneration plants are designed to meet the thermal energy needs of the pellet plants, ensuring that all produced thermal energy is efficiently used year-round in the drying process of pellet raw materials. The total production capacity of the cogeneration plants is 41 MW of electricity and 113,5 MW of thermal energy.

In 2025, production volumes recovered compared to the previous year as the Osula CHP plant and Helme CHP returned to full operational capacity. All other power plants operated at nominal capacity throughout the year.

In 2025, total thermal energy consumption for belt drying across the Group was 976 GWh, and total electricity consumption was 402 GWh. The Ebavere solar plant generated 0.95 GWh of electricity, included in the Group's total electricity production figure. The Alytus boiler house, which produces thermal energy only, contributed 90,235 MWh of heat in 2025.



	2020	2021	2022	2023	2024	2025
Electricity Production GWh/y	337	325	331	333	298	313
Heat, CHP, GWh/y	916	915	949	947	905	908



Our approach to stakeholders

Our major stakeholder groups are our employees, shareholders, investors, business partners, suppliers, clients and end-consumers, governmental agencies, non-governmental organizations, local communities, and the planet.

In 2024 we introduced **safety instruction application** which helps our partners and guests familiarize themselves with the safety instructions and rules before entering the factory premises.



This guideline establishes occupational safety, fire safety, and environmental protection requirements for visitors, truck drivers, service providers, and subcontractors operating within Graanul Invest Group companies. It emphasizes that safety is the highest priority and requires strict compliance with site-specific rules, including controlled access to the territory, adherence to traffic regulations, and observance of safety signage and staff instructions. The use of appropriate personal protective equipment (PPE) is mandatory, including safety clothing, helmets, eye and hearing protection, and respiratory equipment, depending on the work environment and associated risks.

The guidelines further define restricted and hazardous areas, safe working distances, and prohibit unauthorized access or unsafe behavior. Specific provisions are established for fire safety, including permit requirements for hot works, prohibition of open flames, and mandatory availability of fire extinguishing equipment. Environmental protection requirements include proper waste segregation, prevention and management of chemical leaks, and immediate reporting of pollution incidents.

In addition, clear instructions are provided for emergency situations, including accident reporting, evacuation procedures, and communication with responsible personnel. Non-compliance with these requirements may result in penalties or other corrective actions, underlining the importance of full adherence to safety, environmental, and operational rules at all times.

The new visitor tool collectively ensure that all individuals—whether truck drivers, service providers, or visitors—are aware of and adhere to the safety, fire, and environmental protection requirements at Graanul Invest Group’s companies.

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Social

safety instruction application



The most important sustainability topics for our employees and partners are:

- Fair working conditions and secure working environment for employees
- Safety and wellbeing of employees
- Training and growth opportunities for employees
- Ambitious and proven carbon footprint (CO₂ emissions) reductions
- Protection of biodiversity and conservation of natural habitats
- Prevention of air pollution
- Responsible and ethical sourcing of raw materials, products or services
- Responsible and accurate sustainability-related communication and marketing

We engage with our stakeholders on an ongoing basis, both directly and through the organizations we belong to. We share relevant information through our sustainability report and respond systematically to questionnaires, written complaints, and suggestions as they arise.

The Group ensures that stakeholders can always submit notifications and feedback through clearly defined channels (e-mail addresses, links) available on its website. **These include:**

- Complaint and feedback handling procedures
- Stakeholder engagement plans
- Biomass and energy production activities
- Reporting violations of European Union legal requirements

In 2025, Graanul Invest launched its first structured customer feedback initiative, beginning with bulk pellet clients as the pilot group. Of the 11 bulk pellet clients with active contracts, 10 participated in the interview process, representing a 91% participation rate. All customer feedback interviews were conducted between June and August 2025.

The interviews assessed several core metrics on a 1–5 scale. The overall Customer Satisfaction Score (CSAT) was 4.4, with customer service receiving a strong score of 4.7 and cargo quality scoring 4.1. The Customer Effort Score (CES) of 4.9 indicates that clients find it very easy to interact with our company. The likelihood to renew score of 3.9 has been identified as an area for proactive engagement.

These 2025 results establish the baseline for Graanul Invest’s customer satisfaction measurement, against which future performance will be tracked in line with the Group’s confirmed ESG targets.

In 2025, Graanul Invest’s European factories recorded 18 customer complaints, marking a significant improvement compared to 27 complaints in 2024. Similar to the previous year, the majority of complaints were related to the presence of foreign contaminants in pellets, accounting for a total of 15 cases, while 3 complaints were associated with pellet quality.

“Following recurring customer complaints regarding foreign contaminants in pellets, additional magnetic separation systems were installed along the production and loading process at the Gulbene plant. Two high-performance neodymium magnets were integrated at critical transfer points to significantly improve the removal of metallic particles before shipment. Compared to the previous ferrite-based solution, the upgraded system provides stronger magnetic properties and enhanced protection against metallic contamination, supporting higher product quality and customer satisfaction.”

Martins Zvejnieks,
Latvian Chief Operations Officer

Our people

Our employees are at the core of Graanul Invest’s long-term success and sustainability. We are committed to providing a safe, supportive, and inclusive working environment where employees are encouraged to grow both professionally and personally. Continuous learning, competence development, and knowledge sharing remain important priorities across all group companies, helping employees adapt to changing industry requirements and technological developments.

In addition to professional development, the company continues to focus on employee well-being, occupational safety, and health promotion. Various initiatives and support measures are implemented to foster a positive working environment, strengthen employee engagement, and support overall physical and mental well-being. By investing in our people, we aim to build a motivated workforce, promote long-term employment relationships, and maintain a strong culture of responsibility and cooperation throughout the organization.

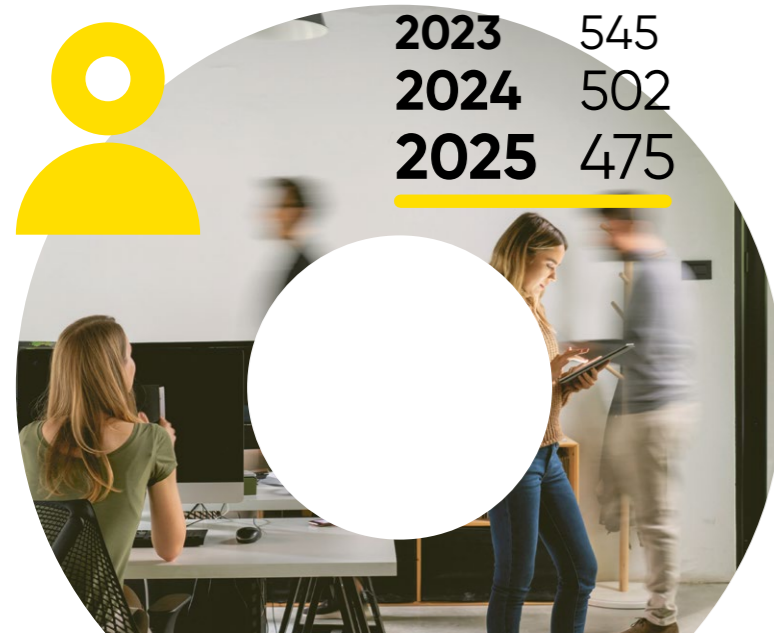
In 2025, the employee satisfaction survey was not conducted.

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Employee statistics

All our positions are permanent, with nearly all employees working full-time. The average employee is 42.5 years old and has been with the company for 7 years. Employment length considers the total service duration, not just time within the Graanul Invest group.

Number of employees (head count)	2021	2022	2023	2024	2025
	502	516	545	502	475



Due to continued challenges in the pellet market and the need to improve cost efficiency, the company optimized operations across all areas. This led to the restructuring of certain functions while strengthening others and creating new roles to support future development and operational efficiency.

Total voluntary turnover rate was 4.78 % in 2025. Of the newly hired employees, 8% were women.

Compared to 2024, the total number of employees decreased from 502 to 475 in 2025 as the company continued to improve operational efficiency and optimize its organizational structure. Despite the overall reduction in workforce size, the gender balance remained stable, with female employees accounting for 17.9% of employees in 2025 compared to 17.1% in 2024.

The share of office workers relative to production staff increased slightly from 39.5% in 2024 to 43.5% in 2025, reflecting adjustments in the operational structure. At the same time, the proportion of female employees in white-collar positions continued to grow, increasing from 54.4% to 58.2%. In blue-collar roles, male employees remained the majority, although female representation remained relatively stable.

These changes demonstrate the company's continued efforts to adapt its workforce structure to changing market conditions while maintaining equal opportunities and supporting workforce diversity across different functions.

Our employees' statistics of men and females according to different job positions

Year	Total	(M) Male	(F) Female	F/M ratio, %	Blue-collar, total	White-collar, total	WC/BC, %	Male, Blue-collar	Female, Blue-collar	F/M Blue-collar ratio, %	Male, White-collar	Female, White-collar	F/M White-collar ratio, %
2023	545	449	96	21.4	387	152	40.6	340	47	13.8	109	49	45.0
2024	502	416	86	20.7	360	142	39.5	324	36	11.2	92	50	54.4
2025	475	390	85	21.8	331	144	43.5	299	32	10.7	91	53	58.2

Working environment and safety first

At Graanul Invest Group, workplace safety is a core value embedded in all our operations. Protecting the health and well-being of our employees, contractors, and visitors is fundamental to how we conduct our business. We are committed to continuously improving our safety performance with the **clear objective of achieving zero work-related accidents and maintaining a Total Recordable Incident Rate (TRIR) of zero.**

Our approach to safety is systematic and based on clearly defined procedures, consistent reporting, and thorough investigation practices. All incidents—ranging from near misses and minor injuries to severe or major accidents—are formally reported, recorded, and analysed. This ensures transparency, enables timely corrective actions, and supports continuous learning across all sites.

We maintain a structured incident classification system that allows us to monitor safety performance and respond appropriately depending on severity. Incidents are categorized into different levels, including first aid injuries, medical treatment injuries, lost time injuries, and major work accidents, ensuring that each case is addressed with the necessary level of investigation and response.

A key element of our safety management is the use of standardized investigation processes. Minor incidents are reviewed and followed by corrective actions, while severe and major incidents require comprehensive investigations aimed at identifying root causes and preventing recurrence.

We actively promote a culture of openness and accountability, where all employees and contractors are required to report incidents and unsafe conditions immediately. By encouraging reporting of near misses and hazardous situations, we strengthen preventive actions and reduce the likelihood of future incidents.

To ensure consistency and data accuracy, all incidents are recorded in a centralized system, enabling group-wide monitoring and analysis. Safety performance is tracked through key indicators such as TRIR and LTIR (Lost Time Incident Rate), which provide measurable insights into workplace safety and support data-driven decision-making.

In addition to internal processes, we continuously invest in employee training, risk assessment, and safety improvements. Safety considerations are integrated into daily operations, equipment use, and work planning, ensuring that risks are minimized at every stage.

By combining clear procedures, active employee engagement, and continuous improvement, we aim to create a safe and healthy working environment across all our operations. Our commitment to safety reflects our responsibility towards our people and our long-term sustainability goals.



In 2025, the group recorded 8 workplace accidents, compared to 5 in 2024. While the number of incidents increased, their severity decreased significantly – total lost days fell from 236 in 2024 to 40 in 2025. The number of lost-time injuries decreased from 5 to 4, with the Lost Time Injury Rate (LTIR) improving to 0.9.

Number of workplace accidents

Note: The figures include accidents without lost workdays.

2019	2020	2021	2022	2023	2024	2025
6	5	5	6	12	5	8

TRIR value

2022	2023	2024	2025
1.29	3.26	1.29	1.57

In 2025, the TRIR increased to 1.57 compared to 1.29 in 2024. The Group continues to strengthen its safety culture through preventive measures and hazard identification, enhanced safety training programs, and development of behavioral safety action plans across all operations.

Our principles for a safe working environment:

- Culture:** We foster a safety-first culture and encourage reporting hazards. The Group's culture is founded on principles of equality, respect and inclusivity. The Group maintains a zero-tolerance policy towards work-related harassment, ensuring that every employee feels safe and valued in their workplace environment.
- Communication:** We share experiences and learn from past incidents.
- Individual Ownership:** Employees maintain their own protective gear and tools.
- Health and Mental Well-being:** Regular health check-ups and promotion of healthy lifestyles, with sufficient days off for training and personal time.

"In 2025, we invested in improving the ergonomics and overall working environment across several operational areas. All old-generation monitors were replaced with new eye-friendly screens, significantly improving daily working conditions for employees. The main operator room was equipped with an adjustable desk, creating a more ergonomic and comfortable workstation. In addition, the furniture in the gatehouse was fully renewed, improving both ergonomics and the overall visual appearance of the facility. Improving the physical working environment supports employee well-being and mental health."

Andrus Rännik,
Factory Manager of the Imavere plant

- **Proper Use of PPE:** Mandatory appropriate equipment based on work nature to reduce risks.
- **Training:** Regular safety training and guidelines updates, including digital training for visitors and subcontractors.
- **Modernization:** Adoption of new tools and safer solutions.

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"The new chips screening system has had a direct and measurable impact on safety by removing a recurring hazard related to clogging in the feeding system. Previously, manual cleaning interventions exposed employees to injury risks. With new solution, we have significantly reduced the need for such interventions, improving safety conditions and preventing incidents similar to those experienced in the past."

Mindaugas Puodžiūnas,
Deputy Director at the Alytus plant

"Since installing the die breakage monitoring sensors, there have been no unexpected failures – the system automatically stops the press in advance, significantly reducing fire risk and improving operators' sense of safety,"

Andrus Rännik,
Factory Manager of the Imavere plant

- **Safety Checks:** Regular health checks and mandatory personal safety equipment.

In 2025, the Launkalne plant completed a comprehensive security upgrade, installing a territory perimeter fence, an entrance gate with electronic door lock system, area lighting, video surveillance cameras, and thermal cameras for monitoring raw material storage piles. These measures strengthen site security and support fire prevention through continuous monitoring of outdoor storage areas.

- **Inspection and Maintenance:** Routine checks and maintenance of equipment.
- **Partners:** Sharing safety practices and policies with diverse partners visiting our premises.

Safety always comes first. Ensuring a safe workplace is our shared responsibility.

At the Alytus plant, a bypass conveyor around the old hammermills was commissioned in 2025. The old hammermills had poor separation of foreign objects, such as metal or stones – from incoming raw material, creating a risk of explosive conditions in the production process. The new conveyor setup significantly reduces contamination and fire risk.

"This investment has significantly strengthened workplace safety by eliminating reliance on outdated conveyor systems that posed risks of contamination and equipment damage. By reducing the presence of foreign objects such as metal or stones in the production flow, we have lowered the risk of mechanical failures and fire incidents. At the same time, it has created a safer and more controlled operating environment for our employees."

Mindaugas Puodžiūnas,
Deputy Director at the Alytus plant

"At the Helme plant, we implemented an equipment monitoring project using temperature and vibration sensors to enable real-time condition monitoring and reliability-centered maintenance. This investment has significantly improved workplace safety by allowing early detection of abnormal equipment behavior and preventing potential failures before they escalate into hazardous situations. In one case, a rapid temperature increase triggered alarms, enabling timely intervention and preventing a major bearing failure, thereby avoiding potential safety risks and equipment damage. The system reduces the need for manual inspections and supports a safer, more controlled operating environment for our employees."

Kristo Vahar,
Factory Manager of the Helme plant

Human rights, the rights of employees and diversity

Graanul Invest is committed to respecting the human rights of consumers, end users, suppliers, and other stakeholders across its value chain in line with internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

We focus on maintaining a sustainable and ethical supply chain and value chain by minimizing risks related to forced labor and promoting adherence to certifications such as PEFC and SBP. These efforts align with its commitment to high ethical standards and sustainability principles in all business operations.

The Group upholds the rights of indigenous peoples by conducting due diligence across the supply chain, ensuring compliance with UN Human Rights and ILO standards.

Principles of training and development of employees

Graanul Invest is committed to supporting the continuous development, competence growth, and well-being of its employees. The Group promotes a working environment that encourages equal opportunities, professional growth, and long-term career development across all organizational levels.

Training and development activities are designed to ensure that employees possess the necessary knowledge and skills to perform their duties safely, efficiently, and in accordance with evolving industry requirements. Employees are provided with access to various training opportunities, including onboarding programs, occupational safety training, role-specific practical instruction, and professional development initiatives tailored to the needs of individual business units and workplaces.

The Group also supports flexible working practices where possible and encourages initiatives that contribute to employee well-being and a healthy work-life balance. By investing in employee development and fostering a supportive workplace culture, the company aims to strengthen employee engagement, improve operational performance, and support sustainable long-term growth.

In 2025, the company continued to invest in employee development and competence building across all business units. A total of 89% of employees participated in various training programs during the year, compared to 64% in 2024. Employees completed 6,994 hours of training in 2025, while the total training volume in 2024 amounted to 9,527 hours.

Training activities covered a broad range of topics, including occupational safety, cybersecurity, environmental awareness, language skills, quality management, and other role-specific professional competencies. The increased participation rate demonstrates the company's continued focus on continuous learning, employee development, and maintaining a strong safety and quality culture throughout the organization.

Workers in the value chain

Graanul Invest is committed to promoting responsible and ethical practices throughout its value chain. Supplier audits are conducted annually in accordance with PEFC and SBP certification requirements, including both document-based assessments and on-site inspections carried out by qualified personnel in each operating region. In 2025, the company completed 1,988 supplier inspections across its sourcing areas.

The company places strong emphasis on ensuring that suppliers operate in compliance with applicable legal, environmental, and social requirements. Suppliers are expected to uphold internationally recognized labor and human rights principles, including fair working conditions, occupational safety, non-discrimination, and respect for employee rights.

The certification frameworks applied within the biomass supply chain require the prohibition of forced and child labor, respect for freedom of association and collective bargaining, compliance with legal working hour requirements, and payment of wages in accordance with national legislation. In addition, suppliers are expected to provide safe working environments and ensure that workers have access to appropriate social protections and benefits where applicable.

Through regular supplier evaluations and certification audits, Graanul Invest seeks to strengthen transparency, responsible sourcing practices, and the protection of workers' rights throughout the biomass procurement process.

Contribution to society

Graanul Invest is committed to giving back to communities by supporting youth-focused initiatives in sports, education, and scientific research. These efforts reflect the Group's focus on sustainability, innovation, and building a better future. In 2025 we contributed to the society approximately 268 000 €.



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Estonia

In 2025, Graanul Invest supported various sports activities in Estonia, including a cooperation agreement with the Estonian Volleyball Federation, local sports clubs and Tõrva Sport Association's athletics day. The company also supported equestrian sports, shooting sports, model aviation, cycling, and beach volleyball. The Türi Voluntary Fire Brigade also received support.

Youth scientific projects like the University of Tartu Science School and the Estonian Association for the Club of Rome received support. Junior Achievement Estonia was funded for the "Estonia's Best Student Company" competition. Support was also provided for the Metsa-aabits (Forest ABC) educational initiative.

Graanul Invest supported Spordiklubi Imavere and local community initiatives across factories, including the Sõmerpalu Youth Room and Tõrva Mari MTU activities.

Latvia

Graanul Invest has extended its support to various sports activities in Latvia, including the Latvian Volleyball Federation, as well as numerous other sports clubs such as handball, basketball, football, floorball, fitness, and BMX cycling, among others. Support was also provided for the Latvian Youth Carp Fishing Team's participation in the 2025 World Championship in Italy.

Several schools were supported with resources for brain games for children and transportation services for students on field trips. The Kraslava Catholic Congregation was assisted with Christmas gifts for children from low-income families. The Jaunjelgava Cultural Center received support for a community wall painting project.

Lithuania

In Lithuania, Graanul Invest's Alytus factory supported local community initiatives, including a volleyball sports club, a partisan history museum, and organizations providing humanitarian assistance to Ukraine.

United States

The company continued to support local communities and non-profit initiatives through various donations and sponsorships. Financial contributions were provided to local community organizations, volunteer fire departments, youth and sports associations, and other regional initiatives primarily in the areas surrounding the company's operations.



Graanul Invest supported various sports activities, youth scientific projects, local community initiatives etc.



Governance

Strategic sustainability management

In 2025, Graanul Invest continued to strengthen the integration of sustainability principles into its business strategy and daily operations. Sustainability management remained closely linked to the Group's long-term growth objectives, operational resilience, and commitment to responsible biomass production and renewable energy generation.

The Group's sustainability governance is led at the executive level by the Chief Sustainability Officer (CSO), ensuring that environmental, social, and governance (ESG) topics are embedded into decision-making processes across all business units. Throughout 2025, particular focus was placed on regulatory readiness, supply chain transparency, operational efficiency, and stakeholder engagement.

As regulatory expectations in the European Union continue to evolve, Graanul Invest actively monitored developments related to the Renewable Energy Directive (REDIII), the EU Emissions Trading System (ETS2), and the Packaging and Packaging Waste Regulation (PPWR). Cross-functional cooperation between sustainability, operations, procurement, and legal teams supported the timely assessment of new requirements and preparation for future compliance obligations.

Responsible sourcing remained a core element of the Group's sustainability approach. Raw materials were sourced from responsibly managed forests, supported by internationally recognized certification systems and supplier verification procedures. In 2025, all Group pellet production sites successfully transitioned to Sustainable Biomass Programme (SBP) standards 2.0, reinforcing transparency, sustainability assurance, and traceability throughout the biomass value chain.

The Group also continued investing in operational resilience and efficiency. Improvements in raw material availability during the second half of the year supported more stable production volumes and optimized resource utilization across production facilities. Continuous monitoring of energy consumption, emissions, and production efficiency helped identify opportunities for further environmental performance improvements.

Stakeholder engagement remained an important part of sustainability management. Graanul Invest maintained active cooperation with local communities, industry organizations, certification bodies, and public authorities. During 2025, the Group continued supporting initiatives related to education, youth activities, scientific research, and local community development in regions where it operates.

Transparency and accountability continued to guide the Group's governance approach. Sustainability-related data collection and reporting processes were further improved to enhance the quality, comparability, and reliability of disclosed information. Regular internal audits and management reviews supported continuous improvement and strengthened oversight of ESG-related risks and performance.

Industry Cooperation and Memberships

Graanul Invest actively participates in industry organizations that support the development of sustainable forestry, renewable energy, and responsible biomass production. Through these memberships, the Group contributes to policy discussions, knowledge sharing, and the advancement of best practices within the sector.

In 2025, Graanul Invest continued its membership in the following organizations:

- Bioenergy Europe
- Estonian Forest and Wood Industry Association
- Estonian Renewable Energy Chamber
- Union of Electricity Industry of Estonia

Participation in these organizations supports the Group's ability to monitor regulatory developments, contribute to industry-wide sustainability initiatives, and strengthen cooperation across the renewable energy and forestry sectors.

Ethics *Operating Principles*

Graanul Invest is committed to operating responsibly, ethically, and transparently across all areas of its business activities. The Group's operating principles are based on compliance with applicable laws, international sustainability standards, and responsible business practices throughout the value chain.

Environmental responsibility remained one of the key priorities in 2025. The Group continued its efforts to improve energy and resource efficiency, reduce greenhouse gas emissions, and support

the transition from fossil fuels to renewable energy solutions. Environmental performance indicators are monitored regularly to identify opportunities for improvement and ensure compliance with regulatory and certification requirements.

Employee well-being and workplace safety continued to be fundamental values within the organization. The Group invested in employee training, professional development, and occupational safety measures to maintain a safe and supportive working environment. Employees are encouraged to contribute to operational improvements and innovation initiatives through active collaboration across departments and production sites.

Ethical business conduct is supported through transparent supply chain management, internal controls, and regular audits. Graanul Invest continued to apply sustainability and due diligence requirements to suppliers and business partners, supporting responsible sourcing and minimizing compliance risks across the value chain.

Continuous improvement remains an important part of the Group's management approach. Internal audits, certification assessments, stakeholder feedback, and operational performance reviews contribute to the ongoing development of processes, policies, and sustainability practices throughout the organization.

Whistleblower Protection Mechanism

The Group's whistleblower protection framework remained in force throughout 2025, supporting a transparent and responsible corporate culture. The policy applies to all individuals in a working or service-related relationship with the Group, including employees, management, temporary staff, trainees, consultants, contractors, and service providers.

The reporting mechanism enables individuals to report suspected violations related to areas such as environmental protection, occupational safety, financial misconduct, corruption, data protection, public health, product safety, and other compliance-related matters. Reports can be submitted confidentially, and all reported concerns are reviewed in accordance with established internal procedures.

Graanul Invest encourages employees and stakeholders to raise concerns without fear of retaliation, ensuring that all reports are handled fairly, responsibly, and confidentially.

Anti-Corruption and Bribery

Graanul Invest maintains a zero-tolerance approach towards corruption and bribery. The Group is committed to conducting business with integrity, transparency, and full compliance with applicable anti-corruption legislation in all countries where it operates.

The Group-wide Anti-Corruption Guideline continued to apply across all subsidiaries and business activities in 2025. The guideline provides practical guidance on identifying corruption risks, preventing conflicts of interest, managing gifts and hospitality, conducting due diligence on third parties, and ensuring appropriate reporting procedures.

Internal controls and management procedures are regularly reviewed to strengthen the prevention, detection, and mitigation of corruption-related risks. Employees are expected to adhere to ethical business standards and act responsibly in all business relationships and transactions.

Cybersecurity and Data Protection

In 2025, Graanul Invest continued to strengthen its cybersecurity and data protection practices following the IT infrastructure improvements implemented across the Group. The transition towards cloud-based solutions and centralized digital systems supported both operational efficiency and information security.

The Group continued using secure cloud environments and collaboration platforms to improve accessibility, backup reliability, and protection against cyber threats. Regular monitoring, system updates, and access management procedures were maintained to minimize cybersecurity risks and ensure business continuity.

Personal data is processed in accordance with applicable data protection legislation, including the General Data Protection Regulation (GDPR). The Group applies secure data storage and retention practices and continuously evaluates data protection measures to safeguard sensitive information and maintain compliance with regulatory requirements.

Risk Management

The management of Graanul Invest Group performs regular supervision and evaluates potential risks that may affect the Group's operations, financial performance, and long-term strategic objectives. Risk management activities are integrated into the Group's governance framework and support business continuity and resilience.

Customer Risk

A significant share of the Group's revenue continues to originate from a relatively limited number of large customers, which exposes the business to customer concentration risks. To mitigate this risk, Graanul Invest continues to diversify its customer portfolio, strengthen long-term partnerships, and explore opportunities for new products and business lines in different markets.

Financial and Currency Risks

The Group actively manages risks related to changes in interest rates and foreign exchange rates. Interest rate exposure is mitigated through agreements to fix loan interest rates where appropriate. Currency risks are primarily managed by aligning incoming and outgoing cash flows within the same currency, including the euro in Europe and the U.S. dollar in the United States.

Operational and Fire Safety Risks

The Group's production facilities are designed and operated with a strong focus on occupational safety, fire prevention, and operational reliability. The geographical diversification of production units reduces the potential impact of disruptions at individual facilities. Comprehensive insurance coverage is maintained across all production sites to mitigate potential losses related to property damage or business interruption.

Macroeconomic and Geopolitical Risks

Graanul Invest continues to monitor developments in energy markets, raw material availability, inflation, and geopolitical conditions that may impact operations and market demand. Ongoing geopolitical instability in the region, including the effects of the war in Ukraine, continues to create uncertainty in energy and logistics markets.

To strengthen resilience, the Group focuses on diversified market exposure, sustainable raw material sourcing, process efficiency improvements, and responsible cost management. Investments in automation and energy efficiency also support competitiveness in a changing economic environment.

EU regulatory compliance risk

In our 2024 double materiality assessment, stakeholders identified evolving EU biomass and energy regulations as a key area of concern. Graanul Invest closely monitors new and upcoming EU legislative frameworks to ensure timely compliance and proactively manage regulatory risks across all operating countries.

The EU Emissions Trading System 2 (ETS2), taking effect in 2027, will extend carbon pricing to road transport, buildings, and additional industrial sectors. A built-in safeguard mechanism allows for a one-year postponement to 2028 in the event of exceptionally high energy prices. We are evaluating the potential implications for our operations and continue to invest in fuel efficiency and renewable energy solutions to maintain our competitive position.

The EU Packaging and Packaging Waste Regulation (PPWR), which becomes applicable in August 2026, sets binding targets for packaging recyclability and recycled content across the value chain. We are reviewing our packaging practices to ensure alignment with the new requirements within the required timelines.

Transparency and Reporting

Graanul Invest has published annual sustainability reports since 2017 and continues to improve the quality, structure, and comparability of disclosed sustainability information. In 2025, additional attention was given to strengthening ESG data collection processes, internal controls, and reporting methodologies.

The sustainability report has been reviewed and approved by the management board, reflecting the Group's commitment to transparent communication and responsible corporate governance. Through regular reporting, Graanul Invest aims to provide stakeholders with relevant and reliable information regarding its environmental, social, and governance performance and long-term sustainability objectives.

Charts E, S, G



E

Distribution of GHG emissions into scopes

Scope 1

Direct emissions from owned or controlled sources.

10.73%

Scope 2

Indirect emissions from the generation of purchased energy.

22.72%

Scope 3

Other indirect emissions that occur in the value chain.

66.55%

GHG emissions Scope 1-3 (S1, S2, S3)

Scope (CO2e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S1 Stationary Combustion	13,919		16,308		17,565**		16,488	
S1 Mobile Combustion	26,837	41,290	20,076	36,653	26,160	44,029**	23,391	40,322
S1 Refrigerants	534		270		304		443	
S2 Purchased electricity (market based)	82,926	82,926	89,702	89,702	64,819	64,819	85,423	85,423
S2 Purchased electricity (location-based)	171,093	171,093	191,304	191,304	172,075	172,075	170,550	170,550
Not included in total.								
S3 Purchased Goods and Services	-		1,628*		61,166		40,174	
S3 Capital Goods	-		-		6,906		6,901	
S3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	4,346*		8,338		11,499		10,698	
S3 Upstream Transportation and Distribution	19,754		16,836		15,658		17,019	
S3 Waste Generated in Operations	-	81,589	-	161,388	170	232,640	137	250,200
S3 Business Travel	-		315		434		541	
S3 Employee Commuting	-		629		572		932	
S3 Downstream Transportation and Distribution	57,489		66,055		44,101		45,409	
S3 Use of Sold Products	-		67,587		72,371		112,802	
S3 Downstream Leased Assets	-		-		19,763		15,586	
TOTAL	205,805		287,743		341,488		375,945	

*Not all data available for 2022 and/or 2023
- Data not available for 2022 and 2023

** 2024 Scope 1 figures have been restated following a correction to the Woodville factory natural gas volume

Own emission: Scope 1, Scope 2

GHG emissions Scope 1 and 2 (S1, S2)

Scope (CO ₂ e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S1 Stationary Combustion	13,919	41,290	16,308	36,653	17,565*	44,029**	16,488	40,322
S1 Mobile Combustion	26,837		20,076		26,160		23,391	
S1 Refrigerants	534		270		304		443	
S2 Purchased electricity (market-based)	82,926	82,926	89,702	89,702	64,819	64,819	85,423	85,423
S2 Purchased electricity (location-based)	171,093	171,093	191,304	191,304	172,075	172,075	170,550	170,550

*Not all data available for 2022 and 2023

** 2024 Scope 1 figures have been restated following a correction to the Woodville factory natural gas volume

GHG emissions Scope 3 (S3)

Scope (CO ₂ e tons)	2022	2022	2023	2023	2024	2024	2025	2025
S3 Purchased Goods and Services	-	81,59	1,628*	161,38	61,166	232,64	40,174	250,200
S3 Capital Goods	-		-		6,906		6,901	
S3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	4,346*		8,338		11,499		10,698	
S3 Upstream Transportation and Distribution	19,754		16,836		15,658		17,019	
S3 Waste Generated in Operations	-		-		170		137	
S3 Business Travel	-		315		434		541	
S3 Employee Commuting	-		629		572		932	
S3 Downstream Transportation and Distribution	57,489		66,055		44,101		45,409	
S3 Use of Sold Products	-		67,587		72,371		112,802	
S3 Downstream Leased Assets	-		-		19,763		15,586	

*Not all data available for 2022 and/or 2023
- Data not available for 2022 and 2023.

One of our key performance indicators is the Sustainability Performance Target (SPT), which aims to achieve a 10% reduction in carbon intensity (Scope 1, 2 and 3) by 2030 compared to 2024 levels.

Carbon intensity (gCO ₂ e/MJ) split by:	2018	2019	2020	2021	2022	2023	2024	2025
		7.70	7.45	7.08	6.63	6.83	7.03	6.61
<i>Sourcing</i>	-	-	0.79	0.67	0.70	0.91	0.98	0.66
<i>Production</i>	-	-	3.50	3.41	3.62	3.60	2.99	3.37
<i>Transportation</i>	-	-	2.79	2.55	2.51	2.52	2.64	2.36

Renewable energy

2,105 GWh in 2023 1,593 GWh in 2024 2,071 GWh in 2025

Air pollution

Pollutant	2024 (tons)	2025 (tons)	Permit threshold (tons)	% below permit
CO	1,381.0	1,334.9	3,316.1	59.7%
NO_x	808.6	823.6	2,083.0	60.5%
SO_x	16.5	16.8	44.4	62.2%
NM VOC	40.0	48.9	186.7	73.8%
PM-sum	707.9	666.7	2,151.4	69.0%

* SO_x and NM VOC data are not available for all operating locations, as these pollutants are not declared under environmental permits in certain jurisdictions (Latvia, Lithuania). Where data is unavailable, values are excluded from the group total. CO, NO_x and PM-sum cover all group facilities.

Raw material procurement radius

2020	2021	2022	2023	2024	2025
55.0 km	53.0 km	37.07 km	43.48 km	49.25 km	49.85 km

Total water consumption

Total water consumption (m ³)	2022	2023	2024	2025
	226,494	243,925	264,476	266,410

Total water consumption from public water supply and total wastewater discharged to public sewage is also part of greenhouse gas emissions, Scope 3.

	2023	2024	2025
Total water consumption from public water supply (Group) (m³)	29,648	24,350	16,619
Total wastewater discharged to public sewage (Group) (m³)	23,619	16,958	10,244

	2020	2021	2022	2023	2024	2025
Water usage (m³) per 1t pellets	0.092	0.096	0.098	0.099	0.123	0.111

Vessel upgrades and performance

Vessel	SO _x (tons)	NO _x (tons)	PM (tons)
MV Alytus	136.2	283.5	34.0
MV Helme	33.7	148.5	13.0
MV Imavere	15.5	204.9	14.0
MV Laukalne	10.0	112.4	7.8
Total	195.4	749.3	68.8

Annual production

Annual production volumes by country

	2022 (tons)	2023 (tons)	2024 (tons)	2025 (tons)
	2,319,839	2,341,916	2,079,841	2,386,888
Estonia	912,994	860,965	673,736	777,280
Latvia	1,013,329	1,088,388	1,046,816	1,135,419
Lithuania	88,372	77,254	80,983	120,573
USA	305,144	315,148	278,306	353,616

Raw materials used for pellet production

	2022	2023	2024	2025
Sawmilling and wood industry residues, including:	43.40%	31.86%	33,71%	32.99%
Wood chips	26.00%	19.00%	15,25%	15.57%
Sawdust and shavings	17.00%	12.69%	18,24%	17.13%
Off-cuts	0.40%	0.17%	0,22%	0.30%
Low-quality stem wood	56.60%	68.14%	66,51%	67.01%

Raw material origin by country in the Baltics

	2022	2023	2024	2025
Latvia	46.03%	51.25%	58.02%	58.40%
Estonia	46.56%	44.79%	38.18%	35.95%
Lithuania	4.93%	3.74%	2.94%	5.19%
Poland	0.07%	0.04%	0.68 %	0.33%
Sweden	1.49%	0.19%	0.03%	0.01%
Finland	0%	0%	0.14%	0.12%
Belarus	0.59%*	0%	0%	0%
Russia	0.04%*	0%	0%	0%

We immediately stopped all imports from Russia and Belarus after Russia attacked Ukraine on 24th of February 2022. The raw material of the Woodville pellet plant in Texas, US, is 100% originated from the USA.

Waste generation volumes in 2022-2025

Waste type	2022 (tons)	2023 (tons)	2024 (tons)	2025 (tons)
Non-hazardous waste	21,332	21,460	23,910	31,223
Hazardous waste	124	88	130	124

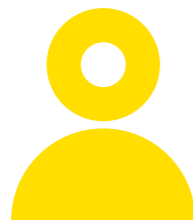
Combined heat and power (CHP) plants and solar energy

	2020	2021	2022	2023	2024	2025
Electricity Production GWh/y	337	325	331	333	298	313
Heat, CHP, GWh/y	916	915	949	947	905	908

S

Number of employees (head count)

2021	502
2022	516
2023	545
2024	502
2025	475



In 2025, the group recorded 8 workplace accidents, compared to 5 in 2024. While the number of incidents increased, their severity decreased significantly – total lost days fell from 236 in 2024 to 40 in 2025. The number of lost-time injuries decreased from 5 to 4, with the Lost Time Injury Rate (LTIR) improving to 0.9.

Number of workplace accidents

Note: The figures include accidents without lost workdays.

2019	2020	2021	2022	2023	2024	2025
6	5	5	6	12	5	8

TRIR value

2022	2023	2024	2025
1.29	3.26	1.29	1.57

In 2025, the TRIR increased to 1.57 compared to 1.29 in 2024. The Group continues to strengthen its safety culture through preventive measures and hazard identification, enhanced safety training programs, and development of behavioral safety action plans across all operations.

G

The material topics of Graanul Invest Group

Topic	Topic materiality
Circular economy	Material topic
Climate Change	Material topic
Pollution	Material topic
Consumers and end-users	Material topic
Biodiversity and ecosystems	Material topic
Affected communities	Material topic
Own workforce	Topic to be added as material, reporting scope needs to be specified
Business conduct	Topic to be added as material, reporting scope needs to be specified
Water and marine resources	Topic as immaterial, reporting on some sub-topics and reporting scope needs to be specified
Workers in the value chain	Topic as immaterial, reporting on some sub-topics and reporting scope needs to be specified

Our employees' statistics of men and females according to different job positions

Year	Total	(M) Male	(F) Female	F/M ratio, %	Blue-collar, total	White-collar, total	WC/BC, %	Male, Blue-collar	Female, Blue-collar	F/M Blue-collar ratio, %	Male, White-collar	Female, White-collar	F/M White-collar ratio, %
2023	545	449	96	21.4	387	152	40.6	340	47	13.8	109	49	45.0
2024	502	416	86	20.7	360	142	39.5	324	36	11.2	92	50	54.4
2025	475	390	85	21.8	331	144	43.5	299	32	10.7	91	53	58.2

Used abbreviations

ESG – (environmental, social and corporate governance) means a sustainable and responsible approach to business management from an environmental, social and corporate governance perspective. Sustainability reporting standards are categorized according to E, S and G topics.

ENplus® certification guarantees the physical quality of our premium pellets and enforces standardized laboratory procedures for precise verification and measurement. Seven of our European factories have obtained this certification.

ETS2 – EU Emissions Trading System 2 is the extension of the EU carbon pricing mechanism to road transport, buildings, and additional industrial sectors, entering into force in 2027.

ISO 9001 certification validates our quality management system, encompassing the physical quality of the product, company procedures, operating environment and customer satisfaction. All our European factories have obtained this certification.

FSC® (FSC-C103815) chain of custody certification helps identify and mitigate potential risks in supply chains and ensures that the supply chain complies with international FSC® standards. All our European factories have obtained this certification, with the exception of Estonian and Latvian plants.

GHG – Greenhouse gas emissions are reported in units of carbon dioxide equivalence (CO₂e). It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆).

ISO 14001 certification demonstrates that our environmental management system ensures we map and manage our environmental impacts and engage in monitoring that exceeds the requirements. All our European factories have obtained this certification.

ISO 45001 certification for occupational health and safety management systems is held by all of our European factories.

ISO 50001 energy management and performance certification ensures systematic and effective energy consumption in our ten factories in Estonia and Latvia.

KPI – Key Performance Indicator. A quantifiable metric used to track progress towards a specific business objective.

PEFC – Programme for the Endorsement of Forest Certification ensures that our supply chain is sustainable and transparent. It defines requirements for the transparent and traceable movement of certified raw materials and helps to identify and mitigate potential risks in the movement of raw materials. All our factories have obtained this certification.

RED – The Renewable Energy Directive is the legal framework for the development of clean energy across all sectors of the EU economy, supporting cooperation between EU countries towards this goal. RED II is a revised version of the directive that entered into force 20 November 2023.

SBP – Sustainable Biomass Program is widely recognized as our sector's most important and impactful certification. What sets SBP apart is its comprehensive coverage of the entire value chain, ensuring rigorous requirements and supervision from raw material sourcing to goods transportation, and from forestry carbon cycle to energy sources used in production. All our factories have obtained this certification.

TRIR – Total Recordable Incident Rate is a normalized metric that captures the frequency of any recordable or reportable injuries and illnesses. OSHA TRIR is calculated on an annual basis and is calculated with 200 000 working hours.



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