

HUMAN CAPITAL POLICY

AHLSTROM-MUNKSJÖ OYJ

Business Identity code 2480661-5

Author: People and Safety	Previous revision date: 27 October 2020
Approver: The Board of Directors	Date of approval: 20 January 2022
Information classification: Internal use only	



Content

1. Overall Purpose of Human Capital Policy
2. Key principles; values, Code of conduct
3. Workforce
 - 3.1. Diversity
 - 3.2. Co-operation with employees
 - 3.3. Job structure
 - 3.4. Employee engagement
4. Recruitment and Onboarding
 - 4.1. Workforce planning
 - 4.2. Recruitment
 - 4.3. Onboarding
5. Performance
 - 5.1. Personal Development
 - 5.2. Performance Management
 - 5.3. Human Capital Review
6. Work environment
 - 6.1. Health (Wellbeing) and Safety
 - 6.2. Smart and Diverse Way of Working
7. Mobility
 - 7.1. Job rotation
 - 7.2. International mobility
 - 7.3. Business travel
 - 7.4. Exit
8. Compensation



1. Overall purpose and objectives

This Ahlstrom-Munksjö Human Capital Policy provides the high-level guidance in human capital related matters and outlines the key principles how we operate as a Company in reference of human capital. The areas covered are, among others, ethics and values, recruitment and onboarding, performance management as well mobility and work environment. This policy gives high level guidance for our workforce on what are the principles we comply with to enable high performance and continuous engagement of our employees to the Company.

This policy is supported by more detailed directives and guidelines as well as process descriptions, which together with local instructions and mandatory laws and policies form the full guidance and expectations for all to comply with. (Listed in Appendix 1)

Implementation of the policy is the responsibility of HR and Managers, yet all are expected to comply with set principles.

This Policy has been approved by the Board of Directors of Ahlstrom-Munksjö Corporation (“Board”). Any amendments hereto must be approved by the Board, except for amendments, which are more of a technical nature and which do not alter the overall content of the Policy. Such technical amendments as well as minor deviations from this Policy on a case by case basis shall be approved by CEO.

2. Key principles

The foundation for all our actions is on our Company values.

We combine long-term commitment with the courage to prioritize. This we do by building long-term relationships within and outside our company, based on clear strategic choices, trust, respect and engagement.

We act as one Team and empower individuals, focusing on collaboration and common targets while delivering results through agility, applying a pragmatic approach and clear accountability.

We are proud yet passionate to improve, recognizing our achievements while being innovative and open to change to increase the value for our customers and owners and reduce the environmental impact.

These values guide our actions and set the expectation for all of us on how to behave while dealing with each other internally, with external stakeholders and with customers. Values form the core of our common culture.

Values are the basis also for the Code of Conduct that describes the ethical principles on how we conduct our business. All our employees are expected to comply with the Code of Conduct and report any misconduct or code violation following the process and system we have in the Company. All cases are dealt with confidentiality.



Our values are also aligned with our culture cornerstones that describe the core characteristics of our shared culture and what we value. They also define what we focus on when further building our culture of success.

Additionally, we are committed to sustainability across all our businesses and processes. We respect the fundamental human rights throughout the value chain, we support local and global initiatives to enforce the implementation of UN Sustainable Development Goals by community engagement efforts and we create safe and inclusive work environments. We are committed to fair treatment and equal opportunity to ensure our employees' well-being.

3. Workforce

3.1 Diversity

We value diversity and the ways the differences between people can contribute to a richer, more creative and more productive working environment. Being a diversified company makes us stronger when we use our knowledge in a collaborative way internally. Diversity encompasses internal, external and organisational dimensions.

Diversity is considered in recruitment, promotion, compensation and in employee development without distinction of gender, disability, education, origin or culture.

3.2 The co-operation with employees

We have a discussion forum for employee representatives from European units and members of the Group and HR management, based on a European Directive –like agreement. This forum convenes regularly to discuss topics such as financial review and outlook of the company, business review, health and safety and operational excellence as well as HR related Group actions, among other topics.

3.3 Job structure

We strive to have a clear job structure in place to ensure alignment on the roles and responsibilities and the titles we have in the Company. Job structure has different levels within job families thus will provide good visibility and support for internal career development. The career streams are twofold; one can either develop or advance in manager/leadership path or in expert path with no people management responsibilities but deep expertise in the given areas.

3.4 Employee engagement

We continuously listen to all our employees and develop the work environment based on the feedback gathered through global employee surveys. Through the survey we get the feedback to act upon in all levels of the organization. Depending on the feedback, actions are taken locally and within teams as well as globally on areas that reflect to the organization level. Employee engagement is a continuous process where the action planning and execution is a high priority to ensure we develop our culture and ways of working to the right direction. We have also implemented two-way communication for all our employees via Teams portal.



4. Recruitment and Onboarding

4.1 Workforce planning

We aim to plan our resources and competencies annually both on Plant level and on a Group and BA level. With this process we ensure that we have the right number of resources with the right competencies in order to meet our strategic goals. The process is a foundation for a hiring plan and acts as a basis for all new recruitments done during the year.

4.2 Recruitment

As an Employer, we strive to be the employer of choice within our markets and relevant competence areas. To promote career opportunities, employee engagement and possibility to learn and grow, all open white-collar positions are opened internally. All blue-collar positions are posted locally.

In the recruitment, we place focus on diversity and right competencies, and we make the final selection based on who fits best in the set criteria and also in our culture. Throughout the process all applications are handled in professional, ethical and fair manner, ensuring the data privacy of candidates and compliance with local laws and regulations.

4.3 Onboarding

The onboarding process starts when the employee has signed his/her employment contract. It is utmost important that the newcomers get in a timely manner all equipment, tools and training they will need. They should also have an induction plan that highlights the key areas to learn, key people to meet and first actions to focus on. Onboarding is a process that typically lasts for several months, during which there is active support and guidance as well as checkpoints to ensure the induction is progressing as planned.

5. Performance

5.1 Personal development

We are committed to provide personal development opportunities to all our employees. The biggest part of personal development is on-the-job learning and learning from others. We have Group level trainings to build competencies and awareness on many important areas. Local trainings are offered to fulfill local legal requirements. The training and learning opportunities we offer can be as, for example, face to face class-room trainings, and nomination based internal expert programs, multiple day programs, online webinars or e-learning. All employees have access to our Learning Platform, where one can access or request training.

5.2 Performance management

The purpose of the process is to ensure that we have engaged and dedicated employees who all strive to reach the overall vision and mission of the Company and act in alignment with business strategy and values. Our performance management process applies to everybody in the Company. As part of the process all employees should have clear goals defined and they are set in the beginning of the year. Progress of the goals is evaluated in the middle of the year and the achievement is assessed in the performance assessment stage at the end of the year.



A fundamental part of the process is the dialogue between the manager and employee where good quality feedback is shared to help the employee develop and deliver high performance and the manager to develop his/her managerial role.

5.3 Human Capital review

We believe everyone is a talent and we invest in understanding our Human Capital potential that we annually review as part of the Talent Management process. The main targets of the process are to ensure a good talent pipeline and to identify successors to key positions in the Company. It is also important to understand and agree development actions to both support the growth of individuals and to mitigate critical gaps and risks.

6. Work environment

6.1 Health (Wellbeing) and Safety

We are committed to maintaining a safe, healthy and fair workplace for our employees, thus health and safety is an essential part of our business ethics. The main focus of our health and safety strategy is to work actively with our preventative measures in order to further strengthen the corporate health and safety culture. We have the courage to intervene if others are in danger or are violating rules and we take responsibility for our own, colleagues', contractors' and visitors' safety by following the company's safety management system.

Employee wellbeing is very important for us and we may offer access to occupational health services to ensure the highest standards of health for all individuals. We encourage a healthy balance between work and personal life, and employees are expected to respect the work-life balance of other employees. We do not tolerate any form of abuse, intimidation, or harassment at work, whether that's physical, sexual, or psychological.

6.2 Smart and diverse ways of working

We aim to be a flexible employer, and as a part of that we provide the opportunity to diverse working. Bringing an innovative mindset into the way we work and operate on day-to-day basis is as essential. The ability to influence the personal work-life-fit builds motivation and creates engagement. Diverse work provides tools and practices for making the best out of the situations, meaning that diverse work provides identified benefits for both the individuals, and to the firm and business too. Diverse work is efficient, and virtual meetings save time, costs (e.g. in travelling) and that way reduces our footprint on the environment. Diverse work is an important part of Ahlstrom-Munksjö's way of working. The diverse work set-up creates a platform for the global one-team and sustainable employee experience. We are a company operating all around the world, and our Business Units and Functions are scattered widely, thus it is natural that our employees can work in the similar kind of diverse and smart set-up, that follows the characteristics of our global operations and business. We operate with trust and trust is also an essential cornerstone for our diverse work. Regardless of the work location, the employee is responsible for complying with all relevant policies and guidelines and maintaining a safe work environment.

7. Mobility

7.1 Job rotation



We support internal job rotations to grow and develop our employees. Internal rotations can include short-term assignments, project assignments and internal transfers. All job opportunities are opened internally to prioritize internal candidates for job rotation.

7.2 International mobility

Different types of international assignments range from extended business trips of less than six months to long-term assignments up to five years. We always aim to employ by local contracts and long-term assignments are considered only in rare cases. Transfers can also be permanent.

All transfers and international assignments are subject to one over one approval and must be approved by the EVP People and Safety.

7.3 Business Travel

Diverse and Smart ways of working should be considered as an alternative for business travel. However, if travel is deemed essential, all business travel must follow our travel guidelines to ensure business benefits, cost efficiency and safety. Travel plans must be approved by the Manager. Travel to Customers is expected to maximize Customer facetime. All business travelers must have needed vaccinations and be covered with company insurance policy.

7.4 Exit

When an employee decides to leave the Company, we want to hear his/her feedback on the reasons why he/she has decided to leave the Company and we do this by an exit interview. We also ask the leaving employee to fill-in an exit survey either online or on paper. This information is very important for us in order to develop our processes and ways of working going forward. We also want to make the exit process as smooth as possible to ensure full compliance on data privacy, data protection, IT policies and other relevant areas.

8. Compensation

Ahlstrom-Munksjö's compensation principles are covered by a separate Compensation and Benefits Policy which determines the Company principles for total remuneration. The purpose of the Compensation and Benefits Policy is to ensure equality and fair treatment in all remuneration matters in the Company. It is supported by directives, guidelines and process descriptions, which together with company values, local instructions, laws and policies form the full guidance and expectations regarding compensation matters in the Company.