

HUB logistics
Sustainability report

2024



HUB logistics Sustainability report 2024

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Sustainability requires commitment from each of us

Sustainability belongs to all of us every day of the year. We have stated this before, and it still holds true. We actively develop sustainability across all our business areas: warehousing, internal logistics, and wooden packaging services. This allows us to be a reliable and responsible employer and logistics partner.

Large companies may have enormous machinery behind them and the opportunity to carry out sustainability work at a different volume than SMEs. When thinking about a company like HUB, where the organization is flat and the number of office workers is moderate, operations must be well-organized and require the commitment of the entire staff.

Everything cannot be done and completed at once. Decisions must be made from the perspective of our own operations about what to focus on at each stage of sustainability work.

Reducing emissions and improving energy efficiency in environmental responsibility

In environmental responsibility, it is important for us to focus first on reducing emissions. Annual targets guide our operations, and we implement things in phases. Sustainability work is not free, so we must also consider a sensible overall approach in terms of costs that is possible to implement. For example, the entire forklift fleet cannot be replaced with electric models at once. That would be a painfully large

one-time cost. Our last year's forklift investment was directed at our Hämeenlinna site, where we acquired three new electric forklifts suitable for outdoor use. As a result of this investment, the site's carbon dioxide emissions were reduced by 24,5 tons.

We are developing existing facilities to be more energy friendly. For example, in Kangasala's wooden packaging services premises, water/air heat pumps help reduce emissions and bring cost efficiency. A significant milestone from last year is the LEED EB Gold certification awarded to our Vantaa logistics center in the field of building sustainability and environmental friendliness during the operational phase.

Responding to consumer expectations through active customer collaboration

Consumers are interested in the origin and sustainability of products. More and more consumers also value environmentally friendly transportation and the ability to recycle products. How can a logistics company meet customer expectations?

The role of logistics companies is to offer customer companies perspectives on responsible and sustainable logistics. Through collaboration, it is possible to move towards greener logistics.

Together with customer companies, we can consider solutions for packaging products correctly and in right-sized packages. Environmentally friendly filling materials, systematic reduction of plastic, and recycling of generated plastic are ways to step towards more responsible logistics.

The range of options is wide when also considering the return process and the reuse of returned products and packaging. Also consider the return process, which creates its own burden: how to get products quickly back to sale or recycling. Reuse existing packaging where possible.

Sustainability begins with people

Sustainability is not limited to the environment alone. Our sustainability program also guides us in social responsibility. When staff work safely and feel well, it's easy to take care of other aspects of sustainability. Meaningful work and a safe working environment are starting points for productivity and quality, but above all, enjoying work is important to us.

This is reflected in the fact that last year we received recognition as one of Finland's most inspiring workplaces. The work we have been doing for several years to promote staff wellbeing is producing results. Sustainability is a long-term investment. Sustainability work is best advanced through leadership, commitment, and phased implementation. By our own example, we also encourage others to develop a systematic program that helps them take their sustainability work to the next level. By setting concrete sustainability goals that are realistic and measurable, it is possible to focus on what's essential.

Sustainability is a long-term investment. Companies of all sizes can take the first steps towards sustainability, even with limited resources. The most important thing is understanding the big picture, commitment, and continuous development.



Joni Sundelin
CEO



HUB logistics as a company

HUB logistics as a company

Company information and key figures for 2024

A privately owned Finnish logistics service company

- Established in 1992
- The operational parent company of the HUB logistics Group is HUB logistics Finland Ltd.
- Subsidiaries include HUB logistics Packaging Ltd, HUB Logistics Services Ltd, HUB logistics 3PL Ltd, and HUB logistics Handling Ltd
- Business areas: Internal logistics services, warehousing services, wooden packaging services
- Industry solutions: Industrial logistics, healthcare logistics, E-commerce logistics, spare parts logistics
- Industries we serve: technology and engineering industry, retail sector, public administration, import
- We operate in thirteen locations. Our headquarters is located in Vantaa.

Revenue
37.4 M €

People Power-index
65.8

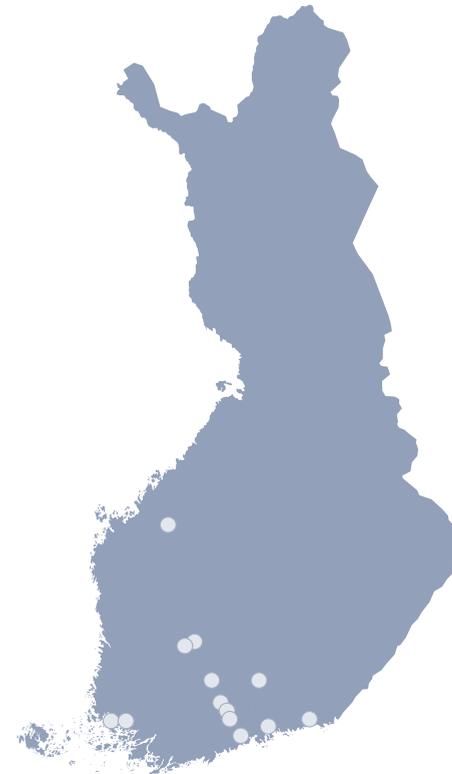
People Power
classification
AA Good

Average number
of personnel
500

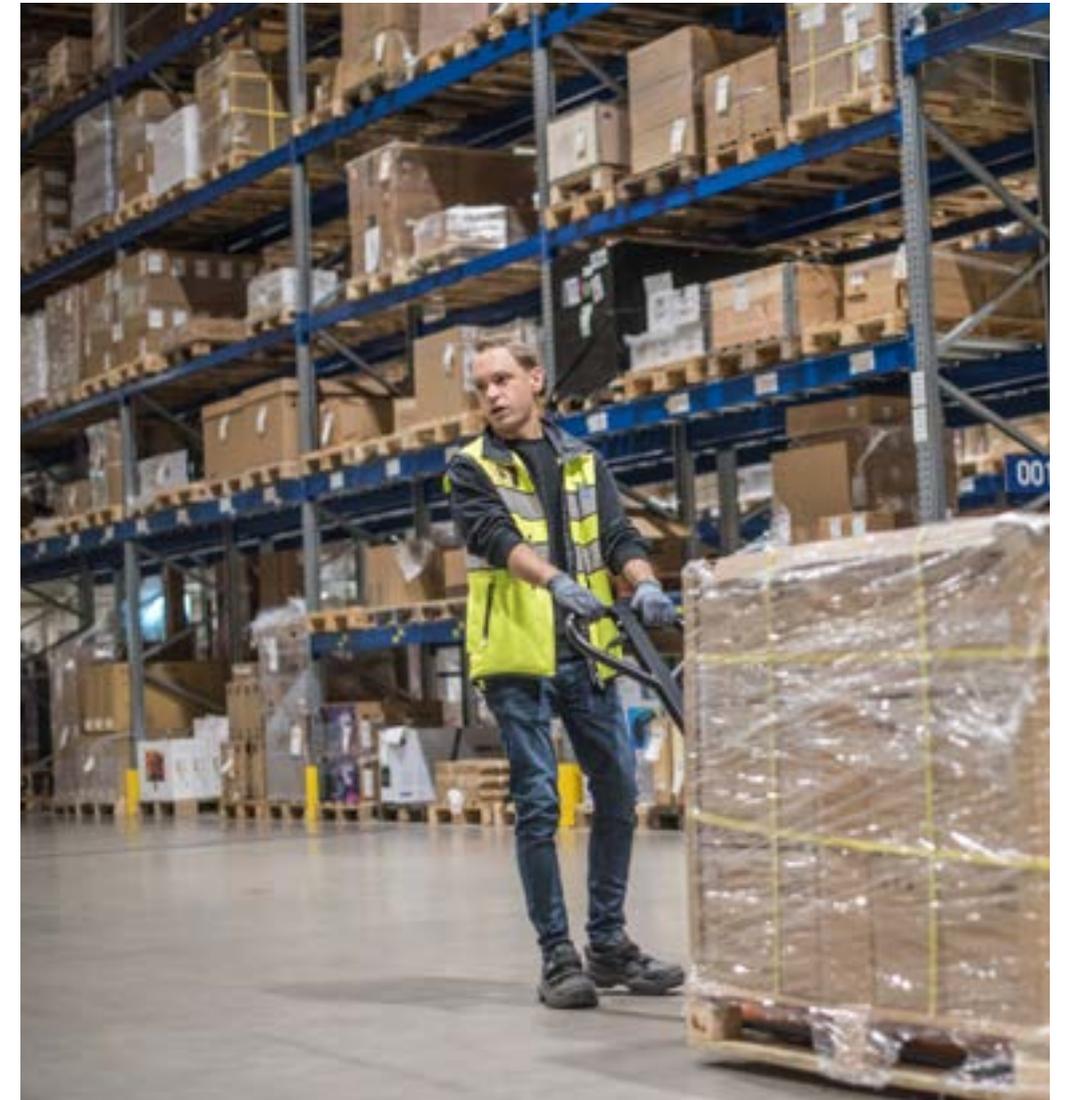
Customer satisfaction
(NPS)
46.75



OPERATIONS IN 13 LOCATIONS



Hämeenlinna, Hyvinkää,
Järvenpää, Kangasala, Kotka,
Lahti, Naantali, Riihimäki,
Sipoo, Tampere, Turku,
Vantaa & Vimpeli



HIGHLIGHTS OF 2024



Our CEO Joni Sundelin gave a speech on sustainability at the Logy Conference organized by Logy ry.



Vantaa logistics center was awarded the Leed EB Gold certification



AT HUB'S HÄMEENLINNA SITE, THE MAJORITY OF OUTDOOR FORKLIFTS WERE REPLACED WITH ELECTRIC ONES



We are part of the City of Lahti's climate partnership network.

Record-high NPS score
46.75



Strategic investment in personnel is producing results. Our People Power index rose above the Finnish employee norm, and we received recognition as one of Finland's most inspiring workplaces.

A RECORD NUMBER OF SAFETY OBSERVATIONS



A TOTAL OF
1172
SAFETY OBSERVATIONS

Vision, mission, and values

Our mission is to transform logistics with new service innovations.

Our vision is to be the fastest-growing and evolving logistics partner in information and material flow management.



OUR VALUES ACTIVE DEVELOPMENT:

We develop as one team. We develop solutions together with customers and partners and rejoice in achievements together.

- We develop as one team. Through continuous improvement, we find and implement both small and large development ideas that make our operations more high-quality. We actively seek new ideas and solutions that can bring added value to our customers.
- Understanding our customers' needs, collecting customer feedback, and building customer-oriented solutions are at the core of our operations. In cooperation with our customers and partners, we find the best and most sustainable solutions.
- We encourage our employees to develop personally and expand their skills by participating in training and coaching.



RESPECT:

We value our work and each other. We respect all jobs and support diversity and belonging. Our goal is to create a positive atmosphere where every employee feels valued and respected. Appreciation can manifest in many ways in everyday life. Our starting point is that:

- employees show appreciation for each other by giving thanks and recognition for work well done and contributions to the team's or company's success
- every employee is treated equally and with respect, regardless of position or duties
- employees help and support each other in achieving common goals and value each other's contribution to teamwork.



GRASP OF OPERATIONS:

We know our operating environment and understand the significance of each individual task as part of the whole.

- Our goal is a corporate culture where every employee sees their role as part of a larger whole and actively seeks to promote the organization's goals and success.
- Every employee understands the significance of their job and its impact on the organization as a whole. They know how their work relates to the company's goals and strategy. We know what we are doing and have everything under control at all times.



CUSTOMER ORIENTATION:

We are committed to our customers' success. We focus on customer experience and have an inquisitive attitude toward the surrounding world.

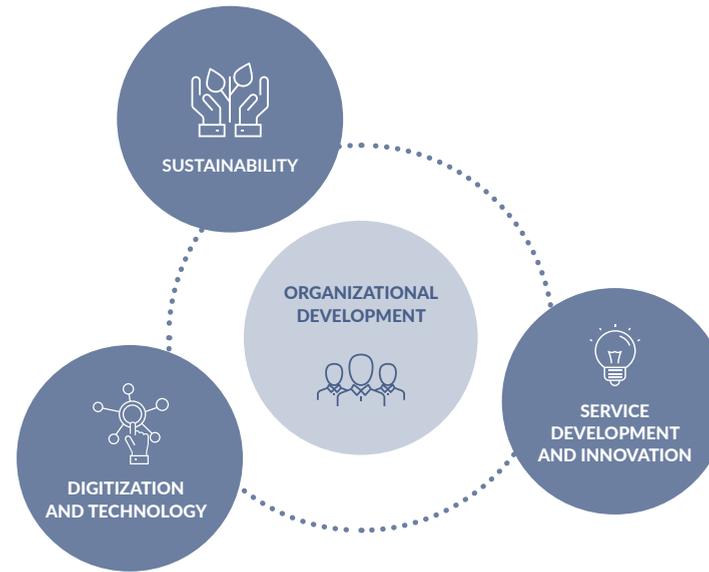
- Our customers are at the center of our operations, and we continuously strive to understand, respond to, and exceed our customers' needs.
- We conduct a customer satisfaction survey twice a year, which provides us with valuable information and feedback from our customers. We continuously strive to improve customer experience and the quality of our services based on the feedback received.
- Customer orientation is a core value that guides our decision-making and daily operations. We offer service packages designed according to customer needs. We strive to create long-term partnerships and cooperative relationships based on trust, active dialogue, and active development.

Strategic work

Focus areas for the 2022-2025 strategy period

The focus areas we have set for the 2022-2025 strategy period are digital transformation and technologies, service development and new innovations, sustainability, and organizational development.

Sustainability is an important theme for us in all areas of sustainability (economic, social, environmental). Sustainability was added as one of the focus areas of our strategy period during 2023. Responsible operations extend strongly to all aspects of our strategy work, supporting and strengthening our operations.



Investing in digitalization helps us make faster decisions, achieve transparency in our operations, and improve the usability of information through advanced reporting.

Organizational development at the core of strategy work includes a common organizational structure and management, development of personnel skills, and various aspects related to the employee lifecycle. When talking about service development and innovations, strategy work includes set picking, identification and development of value-added services, and mobile development.

Strategic work in 2024

Organizational development

In 2024, we continued the themes from the previous year in organizational development: further development of unified practices and management culture. Consistent adherence to operating models brings efficiency and quality to our processes, which also translates into cost savings. Additionally, operating models increase clarity in the organization's operations and processes and promote transparency.

Our unified operating models and management system include daily management and joint meetings at both group and site levels. Monthly information sessions for unit managers and other key personnel provide a channel for reviewing current issues. Manager meetings bring together the executive team and unit managers once a quarter to discuss predetermined themes such as finance and personnel matters. As a new operating model, we introduced the WeekHUB meeting in 2024, where business management and the unit manager review operations weekly.

Service development and new innovations

Service development is essentially linked to developing customer collaboration and bringing customer orientation to the center of business management. Active customer collaboration and feedback received through customer satisfaction surveys have helped us develop our services and processes. In the 2024 customer satisfaction survey, our work yielded results, and our NPS score measuring customer willingness to recommend us rose to a record high.

In service development, further development of the CO2 transaction calculator was one of the development projects. We also clarified our industry solutions and actively began strengthening our industry-specific market position. We especially focused on the healthcare logistics service.

Digital transformation and technologies

We created a new automated wooden packaging replenishment service for our customers. The service, based on IoT solutions, utilizes modern technology that enables streamlining of the customer's production. The IoT sensor sends data to the system at specified intervals, which we use to monitor the quantity of wooden packaging in the customer's production facilities. In line with our smart logistics concept, we utilize technology in a unique way. With the automated replenishment service, we can eliminate repetitive work phases from the customer's operations.

Sustainability

We advanced sustainability work according to the themes of the sustainability program and defined actions. As one example of our local sustainability work, we joined the City of Lahti's climate partnership network, which supports companies and communities in reducing carbon dioxide emissions and mitigating climate change.

Strategy tour reaches employees comprehensively

We organize an annual group-wide strategy tour. These events examine our strategy comprehensively: evaluating achieved results and defining future development directions. The tour reaches employees extensively across all our sites.

During the 2024 tour, led by the business leader, we covered our common operating models, such as the 5S method, occupational safety, continuous improvement, daily management, utilization of customer feedback, and personnel surveys. These common operating models strengthen the sense of belonging in our organization and support building a strong corporate culture.



Strategy tour 2024



In addition to common operating models, the tour delved into commitment: What are the common rules of being part of HUB and what constitutes good work at HUB.

Commitment workgroup and the golden rules of being part of HUB

The commitment project began in 2022 with the purpose of organizational development as part of strategy work. The commitment workgroup meets on average once a quarter, and several new practices have been implemented based on the group's ideas. Among other things, an annual recreation allowance, frisbee golf tour, manager meetings, supervisor training, and developing discussion culture are results of the commitment work.

As part of sustainability work and the commitment project, a code of conduct was prepared for the staff, which was published and presented to employees during the strategy tour at the beginning of 2024.

The commitment workgroup also created nine golden rules of being part of HUB, which were launched at the beginning of 2024. The golden rules are based on a survey conducted by the commitment workgroup in 2023, where employees from three different units answered questions about the work community and colleague relationships. Based on the responses, rules were drafted that we expect to be followed in daily work. They serve as guidelines for how we operate daily. They include our values and our staff's views on how we operate in everyday life, considering colleagues.

**THE NINE GOLDEN RULES OF HUB
ACT AS A GUIDELINE FOR HOW WE ACT EVERY DAY.**

WeekHUB is our new unified operating model



Our strategy work includes developing common operating methods. Daily management was implemented at our company already in 2022. A new operating model called WeekHUB is a weekly meeting between business management and the site manager, which brings regularity and systematicity to management. Together with daily management, it is an approach that brings consistency and a tighter grip on operations management.

The goal of WeekHUB is to create a regular operating model between business management and the site manager. It reviews the past week and challenges for the coming week. Once a month, there is a more thorough stop to delve into results, for example, regarding deviations.

“Our goal is to create common and unified practices at the group level. We do things with the same tools and in the same ways. Just like in daily management, the idea in WeekHUB is not to increase reporting to higher levels, but to genuinely go through things to facilitate operations. While daily management looks at the previous and current day, WeekHUB monitors the past and upcoming week. These link and support each other well.”

– Janne Marttila, Business Director

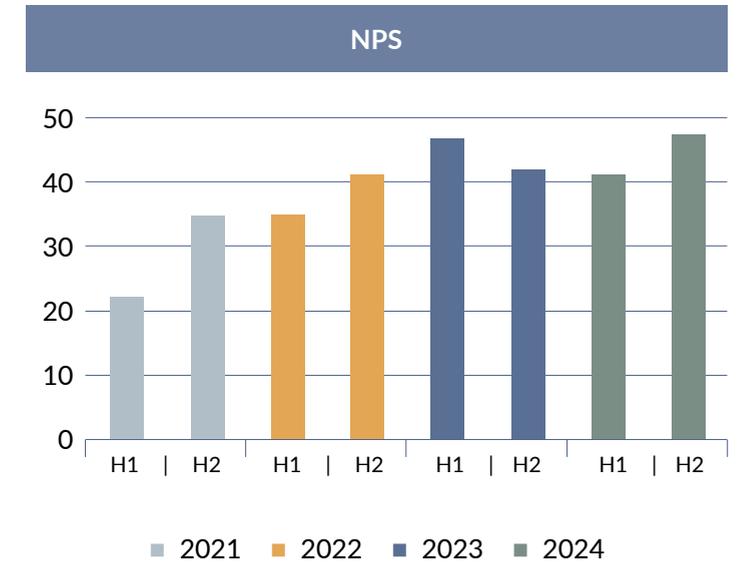
Customer collaboration

Our NPS score rose above the industry average

In our biannual customer satisfaction survey, we investigate our customers’ satisfaction and views on HUB logistics’ operations to support business development. The results of the customer satisfaction survey pleasingly indicate our customers’ satisfaction and trust in our operations. In the 2024 survey results, the NPS score rose above the industry average.

The customer satisfaction survey covers over 160 contacts from our customer companies. We received a total of 77 responses to the customer satisfaction survey conducted in October 2024. The response rate has remained at a good level in the last four surveys, demonstrating our customers’ commitment to providing valuable feedback for developing our collaboration.

The latest results show that customer satisfaction is at a good level, and our customers’ willingness to recommend has risen above the logistics industry average. 52.3% of our respondents recommend HUB, and the Net Promoter Score (NPS) measuring recommendation likelihood is 46.75. Our customers particularly praise customer relationship management, flexibility and consideration of customer needs, as well as the quality of services and products.



“The NPS score measured in our survey has developed positively over the last four years. At the beginning of 2021, our NPS score was 21.88, and now in the latest survey, it’s a record 46.75. This indicates that we have listened to our customers, addressed issues, and focused on essential aspects in customer collaboration. Our customers experience our service as high-quality and value our partnership,” says CEO Joni Sundelin.

New customers and contract extensions

HUB logistics and Raute signed an agreement to expand their cooperation to internal logistics. HUB logistics will take responsibility for the internal logistics operations at Raute's Lahti Nastola factory. The collaboration between HUB logistics and Raute, which began in 2019, will expand from wooden packaging services to internal logistics services, covering the warehouse process, external and internal logistics processes, and packaging operations at the Lahti Nastola factory. The new operations start in March 2025.

HUB logistics and Meyer Turku signed a new agreement covering internal logistics operations in Meyer's Turku shipyard area, including storage of standard hull manufacturing parts, related transportation, and transportation of outfitting materials within the shipyard area. The agreement came into effect in June 2024. Collaboration between HUB logistics and Meyer Turku began in spring 2021 with the storage of standard hull manufacturing parts and related transportation services. Internal logistics operations are now expanding to outfitting logistics and material kitting, i.e., pre-preparation for the outfitting phase.

HUB logistics Finland Oy and Ruukki Construction signed a new agreement that continues and strengthens the cooperation between the companies. HUB logistics has provided Ruukki with comprehensive internal logistics services since 2013, and the new agreement is a testament to trust and successful long-term partnership. HUB logistics is responsible for accessory packaging operations at Ruukki's Vimpeli factory.

HUB logistics has been providing internal logistics services at Ruukki's Vimpeli factory for over 10 years.





Sustainability program

Our sustainability program guides our sustainability work

Sustainability is part of HUB’s strategy, and the program guides employees at all organization levels to make responsible and sustainable choices. The program brings together essential themes under which goals and actions have been defined, allowing for monitoring and evaluation of activities.

For us, sustainability also means commitment to sustainable development goals. From the UN’s sustainable development goals, we have selected six themes that we emphasize. These are quality education, gender equality, affordable and clean energy, decent work and economic growth, responsible consumption, and climate action.



4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

“We encourage our employees to pursue education and support skill development. We offer internships, summer jobs, and apprenticeship training opportunities whenever possible.”



5 GENDER EQUALITY

Achieve gender equality and empower all women and girls.

“We provide our employees with an equal and family-friendly workplace.”



7 AFFORDABLE AND CLEAN ENERGY

Ensure affordable, reliable, and modern energy for all.

“We systematically enhance our energy efficiency. We use renewable energy in our own facilities. In the Vantaa logistics center, we generate electricity using solar energy.”



8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

“Business development across all areas lays the foundation for our economic profitability, enabling us to both employ and maintain jobs. We aim to provide stable employment for our employees.”



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainability in consumption and production patterns.

“Our decisions increase energy and material efficiency. We systematically reduce waste and actively recycle. Our principles of responsible procurement include sourcing and using high-quality raw materials, products, and services.”



13 CLIMATE ACTION

Take urgent action against climate change and its impacts.

“We actively seek ways to minimize our emissions. We ensure that our employees are informed about and trained in environmental matters. Our actions to address climate change are part of our everyday operations.”

RESPONSIBILITY BELONGS TO ALL OF US AND AT HUB WE CHOOSE RESPONSIBILITY EVERY DAY

Main themes of the sustainability program

The sustainability program outlines main themes under which goals and actions are directed. The themes are meaningful work, safe work environment, profitable growth, and towards greener logistics.

Economic sustainability is one of the three cornerstones of sustainability. It means good governance that takes into account the expectations of customers, the owner, and other stakeholders. The culture of sustainability is formed by being profitable as a whole and being able to both offer and maintain jobs.

ONE OF THE MAIN THEMES OF THE SUSTAINABILITY PROGRAM IS OCCUPATIONAL SAFETY

In the logistics industry, occupational safety naturally plays an important role. It is also one of the main themes of the sustainability program. A safe and healthy work environment and well-being at work are starting points for good productivity and quality of operations.

Social sustainability also includes personnel development and skills development. HUB actively provides training, for example through staff certification courses and supervisor/management training programs.

An important part of environmental responsibility is monitoring emissions. We calculate our CO2 emissions annually, and our goal is to systematically reduce our emissions. We have also developed a transaction-based CO2 calculator that allows us to offer customers more precise data on emissions separately for product reception, storage, or even shipment.

Actions and metrics

To achieve our goals, we have defined key metrics by which sustainability work is monitored. Some of the metrics have been in use for quite a long time. For example, occupational safety has been an important factor for us for years, and monitoring occupational safety indicators is done monthly.

In our actions, we have defined top-level goals that represent permanent annual activities. In addition, we consider more specific targets on an annual basis. In the 2024 actions, we focused on expanding the discussion culture and organizing supervisor training, as well as developing the orientation process. In the field of environmental responsibility, we increased the amount of renewable fuel at our sites.

Certificates create a sustainable foundation for high-quality operations

All HUB logistics operations are defined by the ISO 14001 environmental management system and the ISO9001 quality management system. Certificates guide daily operations, for example, through work instructions or in the form of staff meetings. Additionally, there are various reporting practices that are part of the certificate content. Daily work includes, for example, recording deviations occurring in production, development ideas, complaints, and their processing.

Maintaining certificates requires strong commitment from the company to operating models and personnel for system maintenance. HUB logistics conducts audits by the certificate issuer annually. In addition, internal audits are carried out to review requirements concerning the sites.



“The most essential aspects at the center of the certificate are continuous improvement, identification of risks and opportunities, and generally goal-oriented operations. Within these frameworks, we ensure that binding obligations are met and annual targets are set for continuous improvement. The certificate serves as a good foundation for the company’s environmental responsibility and drives the same themes forward as environmentally responsible operations, but it requires its own sustainability program for support.”

– Sampo Arppola, QHSE Manager

	 Meaningful work	 Safe working environment	 Profitable growth	 Towards greener logistics
OBJECTIVE 	<i>Each and every employee at HUB is proud of the work they do</i>	<i>It is safe to come to work every day of the year</i>	<i>Value-producing HUB.</i>	<i>Reducing emissions annually</i>
KPI 	People power general index People power engagement index	Number of work accidents/MTI, LT11, LT14 Number of occupational safety observations Sickness absence rate	Increase in turnover Ebt	Carbon footprint, CO ₂ -emissions Recycling rate
ACTIONS 	Annual personnel survey and determined measures based on the results, both at the group level and at each location.	Active safety communication Preventive work to prevent accidents	Adherence to good governance Risk analyses Acquisition of new customers and development of current customers Responsible procurement	Commitment to annual emission reduction Improving the recycling rate by different means
ACTIONS IN 2024 	Launching a new internal communications concept Supervisory trainings Strategy Tour Expanding and maintaining the discussion culture	Development orientation Utilizing orientation videos Reviewing safety guards Regular safety rounds	Developing the activities of current customers and strengthening their customer base Considered and responsible procurement guided by an updated purchasing policy	Calculation of CO ₂ emissions Determination of the emission reduction target Tendering of waste management Shift to renewable fuel

ISO certificates create the basis for high-quality and sustainable operations. Equal and equitable operation. Sustainable development goals

Monitoring operational quality

The culture of continuous improvement strengthened significantly in 2024. Our personnel made a total of 1.659 continuous improvement proposals, which is 26.4 percent more than the previous year. With the implementation of the Falcony.io system, the processing time for proposals has been significantly reduced.

The initiative activity produced good results. A total of 21 initiatives were recorded from nine of our sites, of which 17 proceeded to the initiative committee for processing. The quality of initiatives improved from the previous year, and their calculated annual savings rose to about €27,300.

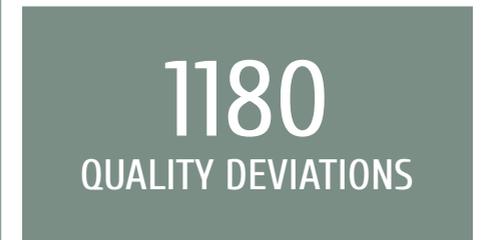
Our quality work also showed positive development. The reporting of quality deviations became significantly more efficient: the number of deviations recorded on the basic form increased from 737 to 1,180. We implemented new customized reporting templates, and during 2024, a total of 4.747 quality deviations were recorded on 11 different form templates.

In terms of environmental responsibility, we recorded 11 environmental deviations, none of which were serious. Although environmental deviations are not in our KPI metrics, they are systematically reported in safety quarters and the executive team’s monthly meetings to ensure continuous development in environmental matters as well.

	2022	2023	2024
Continuous improvement ideas	1219	1312	1659
Initiatives	31	24	17



CONTINUOUS IMPROVEMENT IDEAS





Financial responsibility

Financial responsibility and good governance

At the core of financial responsibility is profitable growth, which aims to create a value-generating HUB. Revenue growth and EBT serve as key metrics, with targets directly based on our strategic objectives. Profitable business operations that consider stakeholder expectations form the foundation of our financial responsibility. Our goal is to preserve jobs and promote employment by actively developing our business operations.

Our activities are based on precisely defined short and long-term financial and production objectives, which we monitor through specific metrics. Financial indicators are reviewed monthly with key personnel, and changes are responded to quickly to ensure profitable operations.

What is our good governance based on?

For us, good governance means efficient, honest, and transparent operations and management. We commit to complying with laws, regulations, and directives, and actively monitoring our own practices. Our goal is to strengthen trust with our stakeholders and prevent inappropriate behavior through laws and our rules. We also expect our partners to comply with laws and our operating principles.

To maintain ethical principles and trust, we have a Whistleblowing channel through which suspicions of crimes, violations, or misconduct can be confidentially reported. The management of this channel complies with data protection legislation and good data protection practices, ensuring the privacy of reporters and fair processing.

Code of conduct

The Code of conduct was developed as part of our sustainability work and dedication project. The Code of conduct addresses, at a high level, corruption, bribery, discrimination, occupational safety, and treatment of company property, among other issues. The content is divided under four main headings: well-being workplace community, company, stakeholder activities, and community and responsibility.

The Code of conduct is accessible to employees on the intranet and was added to the group's orientation materials. The content was presented to staff during the 2024 strategy tour.

“In the context of companies, ethics includes openness, responsible business operations, non-discrimination, and environmental responsibility. Ethical business promotes trust, reputation maintenance, and long-term success. From a societal perspective, ethics promotes justice, sustainability, and community well-being. Ethical principles help us make decisions that are acceptable and fair to all parties. Ethics is not just about following rules and laws, but also requires subtle consideration to understand the complexity of situations.”

-Kati Hollmén,

Marketing and Communications Manager

Explore our Code of conduct:

<https://hub.fi/en/code-of-conduct/>



Summary

The ethical guidelines define our ethical principles, and the guidelines apply to every HUB employee at all levels of the organization. Our entire staff is committed to adhering to this ethical guidance in their work.

In addition to following the guidelines, sound judgment should be exercised, and honesty should be maintained in all situations. Supervisors ensure that the guidelines are accessible to employees and discuss them with the staff. The guidelines are available on the intranet and are reviewed as part of the orientation program. The ethical guidelines can be found on our website.



We are committed to responsible operations concerning the environment, social responsibility, and the economy.

Our actions are guided by integrity, consideration of conflicts of interest, and respect for trade secrets.

Our customers are at the center of our operations. We understand our customers and act in their best interest.

We operate openly and transparently, adhering to the laws, agreed-upon rules, and best practices that guide our operations.

We are dedicated to implementing sustainability, equality, and equal opportunities in our compensation and career development processes.

We ensure a safe and healthy working environment for all our employees.

Annual review and key performance indicators of the group

The revenue and profitability of the HUB logistics group improved compared to the previous fiscal year. The revenue for 2024 was 37.4 million euros, increasing by 3.7 million euros compared to 2023. The fiscal year’s result and operating profit percentage have developed favorably over the past three years. This has been partly influenced by new customer relationships and the enhancement of business operations in accordance with the strategy.

Key events of 2024:

- Operations expanded significantly with two internal logistics customers in Western Finland
- Operations with a significant internal logistics customer commenced
- We secured a significant internal logistics customer, with operations and revenue impact beginning in spring 2025.

Turnover increased
€3.7M
 compared to 2023.

Million euros	2024	2023	2022
Revenue	37.4	33.7	31.3
Operating profit	1.6	1.0	1.0
Net profit	1.3	0.8	0.7
Operating profit margin	4.4%	3.2%	3.1%
Equity ratio	51.1%	56.9%	51.9%
Average number of personnel	500	360	295
Wages and salaries	13.7	10.6	10.3

Key financial indicators for the HUB logistics Group for the years 2022-2024.

Risk management

Risk management is part of our financial responsibility and good governance. We prepare a monthly risk analysis for company management and the board, examining risks at both the group level and by business activity. We assess general business environment risks, contractual risks, and operational risks.

We take necessary measures to minimize potential risks. We act quickly and sensitively in evaluating supplier relationships and make necessary decisions. In 2024, risk management emphasized active monitoring of the market situation and preparation for changes in the operating environment.

OBSERVATIONS FROM 2024:

- Our contract base remained stable, and our customer satisfaction continued its positive development, which was reflected in a record-high NPS reading.
- During the year, we conducted change negotiations due to production and financial reasons concerning both office staff and individual sites.
- One of our warehousing customer contracts will end during 2025. Preparation for this change began already in 2024.
- The spring 2024 strikes, resulting from the government’s labor market reforms, affected several of our internal logistics customers, highlighting the importance of monitoring the labor market situation and risk management.

Development of information security at HUB

We are committed to enhancing our employees' expertise in information security. During the summer of 2024, we will launch company-wide cybersecurity training, delivered as online micro-courses.

“A cybersecurity attack can lead to numerous business-critical consequences. It is essential that we understand the cybersecurity environment, recognize potential threats, and know how to act in case of security incidents. Through our IT partner, we found an excellent and agile way to train in cybersecurity matters and improve our overall cybersecurity”, says CFO Markku Valpas.

Preparing for the NIS2 directive strengthens our security practices

We have initiated preparations for the implementation of the EU's Network and Information Security Directive, NIS2 (Cybersecurity Directive). This EU regulation imposes new requirements on companies for managing cybersecurity risks and reporting practices. The directive aims to enhance the security of digital infrastructure and services while harmonizing cybersecurity practices across the EU.

We conducted a gap analysis to compare our current operations with the directive's requirements. Based on this analysis, we developed a structured improvement program, prioritizing actions based on their criticality.

The directive is overseen by the National Cyber Security Center, which sets clear requirements for companies regarding security protocols, risk management, and incident preparedness. Proactive preparation ensures our business continuity and strengthens our position as a trusted partner.

Investments

In 2024, the HUB logistics group made investments totaling approximately €500.000. These investments were directed toward upgrading machinery and equipment as well as developing WMS (Warehouse Management System) solutions. The investments align with our strategic objectives of improving operational efficiency, enhancing customer service, and reducing environmental impact.

At our Hämeenlinna unit, we transitioned to electric forklifts for outdoor operations, supporting the emission reduction targets outlined in our sustainability program.

In Kotka, we implemented a new automated picking system, fully integrated with the customer's SAP system. This significantly improves order processing efficiency and service quality. Additionally, we invested in modernizing the sawmill for our wood packaging services in Kotka.

Principles of responsible procurement

Responsible procurement is a core aspect of our operations. Our purchasing policy emphasizes high-quality raw materials, products, and services. We actively support domestic and local expertise by prioritizing Finnish products and services whenever possible. We also

consider the lifespan and environmental impact of purchased products, equipment, and machinery, as well as their recyclability as part of our commitment to responsible decision-making.

Our operations are based on active dialogue with our customers to promote sustainable and environmentally friendly business practices. We continuously explore eco-friendly materials and methods to reduce our carbon footprint, requiring close collaboration with our suppliers to ensure the best possible supplier partnerships.

After the procurement process, we maintain ongoing engagement with suppliers to monitor quality standards. Additionally, we continuously seek new suppliers, refine our operational models, and conduct competitive bidding to ensure that we provide high-quality services at competitive prices.

Supply chain responsibility

We adhere to the Supplier Code of Conduct, ensuring that our subcontractors comply with quality and sustainability requirements. Supplier compliance is regularly reviewed through joint meetings, supplier audits, and regulatory inspections.

We expect our subcontractors to comply with international laws, relevant national legislation, and regulatory requirements. Our subcontractors must respect internationally recognized human rights, as outlined in the Universal Declaration of Human Rights by the United Nations. We also require compliance with fundamental labor rights as defined in the International Labour Organization (ILO) conventions, ensuring workplace safety, health standards, fair wages, and working hours.

Furthermore, we expect our subcontractors to conduct business in an environmentally responsible manner, adhering to applicable environmental laws and standards. Business ethics are also crucial—our partners must reject fraudulent business practices, including bribery, money laundering, and corruption. Subcontractors commit to providing relevant data on their corporate responsibility practices, covering financial, social, and environmental aspects, in accordance with HUB’s annual GRI reporting requirements.

Material procurement

We procure various materials for production, both as raw materials and packaging materials. The largest portion of our material purchases consists of sawn timber and OSB (Oriented Strand Board). In 2024, our material procurement included:

- Timber: 14.954 m³
- Plywood: 494 m³
- OSB boards: 1.255 m³
- Plastics: 50.183 kg
- Supplies (nails, beams, screws, etc.): 65.757 kg
- Cardboard: 240.083 kg



Increasing the use of recycled materials

A key theme in our sustainability program is transitioning toward greener logistics, which extends strongly into our procurement practices. Our goal is to increase the use of recycled materials in our operations.

Emissions from production materials account for 36.2% of our total emissions, making material procurement a critical area for reducing environmental impact. We are committed to promoting sustainable development across all aspects of our business.

We have analyzed our plastic usage in detail and significantly increased the share of recycled materials. Nearly 50% of our purchased plastic is made from recycled materials, with some individual products containing up to 95% recycled content.

However, recycled materials are not suitable for all packaging processes. For instance, stretch films can currently contain a maximum of 30% recycled material due to technical limitations. The stretch film we use is partially made from recycled material within these constraints. We actively monitor industry developments and work with procurement partners to explore new, more sustainable alternatives for plastic materials. Our goal is to continuously increase the share of recycled plastics in our operations.

For fiber-based materials, the proportion of recycled content is typically around 70%.

Responsible timber procurement

We are fully committed to the EU Timber Regulation (EUTR 995/2010) in all our timber purchases. All of our sourced raw timber is PEFC or FSC-certified, ensuring it comes from sustainably managed forests. Supplier certifications verify compliance with EUTR regulations.

The PEFC (Programme for the Endorsement of Forest Certification) is an international forest certification system promoting environmentally, socially, and economically sustainable forestry. It establishes requirements for forest biodiversity and sustainability. With PEFC’s chain-of-custody system, we ensure that the wood used in our products originates from responsibly managed forests.



Environmental responsibility

Environmental sustainability

Our commitment to environmental responsibility is based on an ISO 14001-certified environmental management system, which provides a solid foundation for our sustainability efforts. The central theme of our sustainability program is “Towards greener logistics,” with CO2 emissions and recycling rate serving as key performance indicators.

As a logistics operator, we recognize that the industry inherently generates carbon dioxide emissions due to the use of vehicles and transport equipment. We are fully aware of our environmental impact, particularly in terms of CO2 emissions.

As part of our sustainability program, we are committed to electrifying our forklift fleet in warehousing and internal logistics operations. This transition is being carried out gradually, replacing existing equipment step by step. In operations where fuel-powered equipment is still in use, we minimize emissions by using renewable fuels and optimizing internal transport and material movements within industrial sites.

A significant aspect of our environmental efforts is developing energy solutions. We have been using renewable energy for several years, achieving a CO2 reduction of approximately 120 tCO2 in Scope 2 emissions. At the beginning of 2024, we transitioned to emission-free district heating at our Vantaa logistics center, reducing CO2 emissions by approximately 101 tons for the year.

With these steps, we are moving towards greener logistics



In internal logistics services, we implement environmental responsibility in close collaboration with our customers. We adhere to our customers’ operational guidelines and industry regulations, ensuring that environmental decisions are made jointly, enabling comprehensive and effective environmental action.

Environmental responsibility management follows a structured approach, where corporate-level objectives are implemented through localized actions. Each facility defines its own environmental goals, aligning them with corporate strategies and customer-specific sustainability policies. These objectives are documented and communicated to employees in staff meetings, and site managers are responsible for monitoring progress within their areas.

HUB logistics joins Lahti’s climate partnership network

HUB logistics has joined the Lahti Climate Partnership Network, which encourages companies and organizations to reduce CO2 emissions and combat climate change. The City of Lahti is committed to achieving carbon neutrality and being a pioneer in the circular economy. The city actively supports and provides resources to help local businesses advance their climate initiatives. The network currently includes 35 organizations from various industries.

The goal of climate partnership and cooperation is not only to improve our own operations but also to advance regional climate efforts in collaboration with other partners.

“In our corporate-level sustainability program, we have outlined clear environmental targets, with the goal of promoting more sustainable logistics solutions. Joining this local collaboration initiative felt like a natural step for us. We appreciate the City of Lahti’s active role in climate action, and we are excited to be part of the Climate Partnership Network, working alongside the city and other partners.”

– Jani Kronlöf, Unit Manager, Lahti



HUB logistics signed the Climate Partnership Agreement at Lahti City Hall on December 4, 2024.

Emissions

We calculate our carbon footprint annually and track emissions in accordance with the GHG Protocol, covering Scope 1, Scope 2, and Scope 3 categories:

- Scope 1: Direct emissions from fuel consumption and company-owned vehicles
- Scope 2: Indirect emissions from purchased electricity, energy use, and water consumption
- Scope 3: Indirect emissions from the value chain, including all other emissions generated by the company’s operations.

In 2024, our total CO2 emissions amounted to 4.310,5 tCO2, compared to 4.498,8 tCO2 in 2023. The majority of our emissions originate from Scope 3, which accounted for 88% of total emissions (2023: 81%).

Our direct emissions (Scope 1–2) remained moderate, totaling 505.1 tCO2. These emissions primarily result from forklifts, wheel loaders, fuel-based energy production, and district heating.

Scope 1 emissions increased compared to the previous year, mainly due to fuel consumption in our Turku unit, which significantly raised the use of light fuel oil. However, at other sites, Scope 1 emissions decreased. For example, our Kangasala wood packaging services unit transitioned to renewable electricity, in line with our corporate strategy. Additionally, the entire forklift fleet at the site was electrified, reducing Scope 1 emissions and supporting environmentally sustainable logistics. The electric forklifts are charged with renewable energy, ensuring that emissions from both electricity consumption and battery charging drop to zero.

Scope1. CO2 emissions from direct fuel consumption, tons

	2022	2023	2024
Diesel (vehicles)	59.7	18.3	7.1
Renewable diesel	1.1	0	0
Light fuel oil	171.5	241.4	431.8
Renewable light fuel oil		4.4	6.8
LPG (Liquefield petroleum gas)	3.2	1.1	0.1
Petrol	0	0	0.1

Scope1. Emissions from energy production, CO2 tons

	2022	2023	2024
Light fuel oil	113.1	75.9	113.8

Scope 2. CO2 emissions from indirect purchased energy consumption, tons

	2022	2023	2024
Electricity	0	18.9	16.1
District heating	56.6	121.3	42.5
Water		0.25	0.6

Scope 3 emissions of CO2, tons

	2022	2023	2024
Purchased services	51.5	2216.2	2147.7
Production goods	1465.3	1724.6	1560.4
Waste	48.4	3.1	3.2
Life cycle impacts of energy production and vehicle fuels		79.3	94.1

OUR OBJECTIVE IS TO DECREASE CARBON DIOXIDE EMISSIONS ON AN ANNUAL BASIS.



Distribution of emissions by scope emission categories in 2024, tCO2

- Scope 1
- Scope 2
- Scope 3



	tons	%
Scope 1	445.9	11%
Scope 2	59.2	1%
Scope 3	3805.4	88%
Total	4310.5	

A crucial step towards more sustainable logistics: CO₂ calculator reveals emissions at the transaction level

We have developed a CO₂ transaction calculator alongside our emission calculations. This calculation model provides a new perspective on logistics emissions, offering customers valuable insights into the environmental impact of their operations.

The development of the transaction calculator was led by HUB logistics' Development Director Anssi Tura and QHSE Manager Sampo Arppola. According to Tura, existing calculation models primarily focus on determining overall emission figures, often overlooking the detailed origins of emissions.

According to Anssi Tura, emission calculations and management are complex topics, and many companies struggle with similar challenges. While general emission calculations are becoming more common, logistics emission calculations have rarely delved deeper into how emissions are distributed per storage space or transaction. Our CO₂ transaction calculator has been designed to address this specific need for more detailed data.

In the CO₂ transaction model, a framework was created to categorize emissions into six key areas, based on different logistics processes—for example, inbound material flow, storage, and value-added services. The model was intentionally designed to be simple and easy to manage, ensuring clarity and usability. Through this model, emission distribution across various warehouse processes can now be identified.

Emission data is provided to HUB logistics' customers annually. Tura and Arppola believe that in industrial logistics, more precise data could mean detailed emission breakdowns per warehouse hall or service type. In wood packaging services, more refined categorization could include emission data per product type.

On a practical level, collaboration involves offering development proposals for daily decision-making. These improvements can relate to materials used or processes applied.

“We believe that companies aiming for net-zero emissions and operational improvements will find significant value in this level of detailed emission tracking. Without deeper data analysis and continuous monitoring, it is impossible to identify root causes. By providing more detailed emissions data and tracking their progress, we help our customers achieve their sustainability goals.”

– Anssi Tura, Development Director



“Even small decisions make a difference. Could alternative packaging materials or lighter transportation models be sufficient if they provide significant opportunities to reduce emissions and promote sustainability? These are critical decisions that companies will need to evaluate and make moving forward.”

– Sampo Arppola, QHSE Manager

The calculation model opens a new perspective on logistics emissions, providing customers with valuable information about the environmental impacts of their operations.

Fuel consumption

Our fuel consumption trends have shown positive progress from a sustainability perspective, particularly due to increased use of renewable fuels. The decline in diesel and gasoline consumption, combined with the growth of renewable diesel and light fuel oil usage, marks a significant step towards more sustainable fuel management.

The majority of outdoor forklift equipment still runs on light fuel oil, which is reflected in fuel consumption figures. Our goal in the coming years is to reduce light fuel oil usage by transitioning to renewable alternatives and upgrading forklift fleets to electric models.

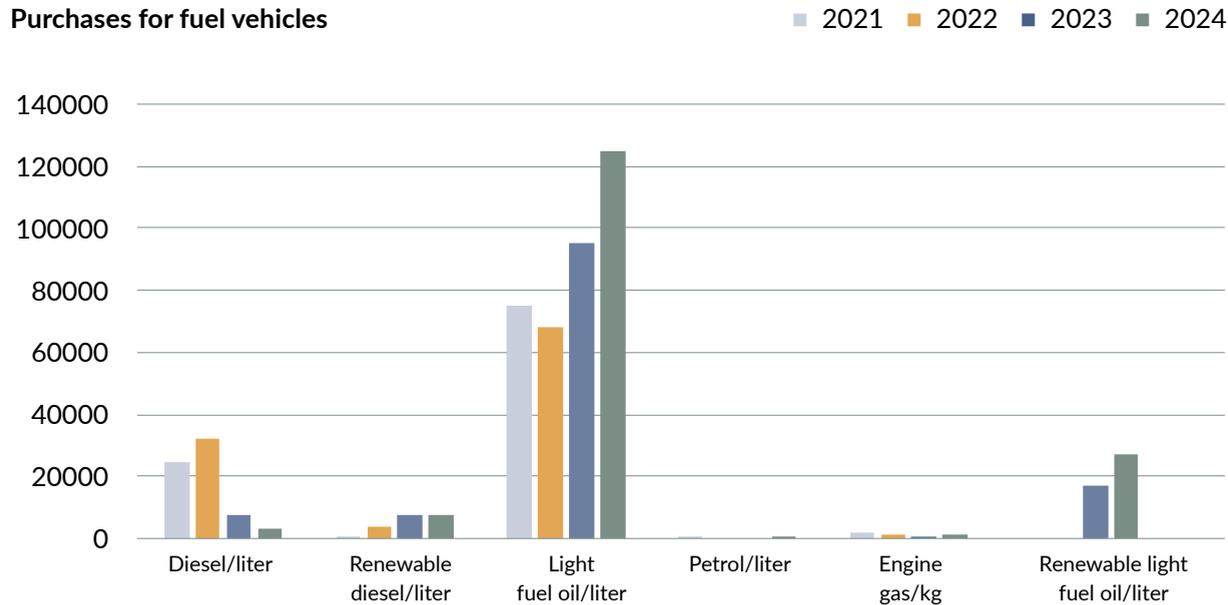
We introduced three new electric forklifts at our Hämeenlinna site. The adoption of electric forklifts supports our customer’s environmental goals, reducing the site’s CO₂ emissions by 24,5 tons. In addition to lowering CO₂ emissions, noise pollution is also significantly reduced, creating a quieter and more comfortable work environment for employees.

Waste management

Our waste volume decreased from 810.3 tons in 2023 to 787.5 tons. Wood waste, cardboard waste, and energy waste are the three largest waste types, accounting for 95% of the total. Wood waste alone makes up 68.6% of the total waste volume. Cardboard waste accounts for 17.7% and energy waste for 7.5%.

Tons	2020	2021	2022	2023	2024
Mixed waste	9.5	13.2	9.5	8.7	12.9
Paper	1.0	1.2	1.6	5.2	7.8
Plastic	4.0	4.1	5.9	0.5	11.3
Wood waste	607.2	634.3	600.0	545.0	540.5
Energy waste	55.2	60.9	44.4	52.6	59.1
Cardboard	133.6	129.9	123.5	183.5	139.2
Metal	2.5	2.3	5.1	13.6	10.8
Hazardous waste	4.2	0.3	0.7	0.6	0.8
Biowaste				0.5	5.1

Purchases for fuel vehicles



Three new electric forklifts have taken outdoor use at the Hämeenlinna office. The office's CO₂ emissions will be reduced by **24.5 tons.**

Wood waste is generated from the operations of several of our units that manufacture wooden packaging services. We have successfully reduced the amount of wood waste significantly over the past two years. Materials are increasingly purchased in predetermined dimensions, production makes better use of scrap wood than before, and we actively donate scrap wood to charity.

We have paid more attention to the sorting of bio-waste, and the amount of bio-waste increased from 0.5 tons to 5.1 tons during 2024.

Some of our locations bale plastic waste, and collection takes place when a sufficient number of bales have accumulated. Baled plastic for recycling was collected from our locations during 2024, whereas during 2023 there were no collections at all. The Kangasala location has started a broader separate collection of commercial plastic, which also affects the amount of plastic waste.

Investing in energy efficiency

We monitor the Group’s energy consumption through our own facilities, where we have direct electricity contracts. We actively track electricity consumption, conduct regular energy audits, and implement improvements based on audit findings. A large-scale corporate energy audit and a site-specific energy assessment were conducted at the Riihimäki wood packaging unit in collaboration with our energy partner.

Starting from 2024, all our energy contracts are based on environmentally friendly solutions. Both electricity and district heating agreements rely entirely on renewable energy sources and are carbon neutral.

The total electricity consumption at the Hakkila logistics center was 746.2 MWh per year, of which 124 MWh was produced by solar energy. This solar energy production covered 17.6% of the center’s total electricity consumption. With 560 solar panels, we can achieve energy self-sufficiency during the summer months.

The total district heating consumption was 848 MWh per year, reflecting an increase compared to the previous year. This increase was mainly due to colder weather conditions during the first half of the year, which resulted in higher heating demand and directly impacted district heating consumption.

Of the total district heating consumption, 598 MWh was recycled heat, which is certified as renewable according to the Energy Authority’s Guarantee of Origin Act. This accounts for a significant portion of our total heating consumption and supports our sustainability goals.



Alkuperätakuutodistus

VENI Energia takaa tällä todistuksella, että
HUB logistics Finland Oy
hankkima sähkö on alkuperätakuumerkittyä 100 % hiilidioksidivapaata energiaa.

Todistuksen tyyppi	Alkuperätakuu
Ajanjakso	2024
Alkuperä	Eurooppa
Tuotantomuoto	Vesi, Tuuli, Aurinko, Bio, Geoterminen, Ydinvoima*

*Lopullinen tuotantomuotojen jakauma määräytyy kun alkuperätakuut kuoletetaan toteutunutta kulutusta vastaavasti


 Mika Salonen
 Country Director




SOLAR ENERGY PRODUCTION

124 MWH

At our new production facilities in Kangasala, we installed hydronic air-source heat pumps, which reduce heating-related CO₂ emissions by approximately 80%. Additionally, LED lighting was installed in collaboration with the property owner, which not only saves energy but also reduces our carbon footprint. The energy savings compared to previous lighting solutions is 90%.



Electricity MWh

- Hakkilankaari 93.9
- Lahti 47.2
- Hakkila LC 746.2
- Riihimäki 279.5

Solar power accounts for **17.6%** of the electricity consumption at Hakkila Logistics Center.



All electricity procured for our own facilities is 100% carbon-free.

Kiinteistö Oy Hakkilan Lokki achieves LEED EB Gold certification

Kiinteistö Oy Hakkilan Lokki (HUB’s logistics center in Vantaa) has been awarded the LEED EB Gold certification (Leadership in Energy and Environmental Design) for operational sustainability and environmental performance.

LEED is a globally recognized environmental certification system that assesses sustainable building design, construction, operation, and maintenance. It ensures standardized criteria and comparability worldwide and is used in over 130 countries.

The LEED certification process evaluates various factors, including energy efficiency, water usage, waste management, indoor air quality, and commuting practices. The certification is awarded based on an independent third-party assessment, ensuring its credibility and international comparability.

During the certification process, the building’s environmental performance and impact were thoroughly assessed. The facility achieved high scores in energy efficiency, commuting sustainability, and indoor air quality. Additionally, an energy audit was conducted, identifying areas for further energy efficiency improvements.



The certification process was initiated by the property owner, Ilmarinen, in 2023. According to Annika Valpola, Customer Manager at Ilmarinen, the certification reflects a strong commitment to environmental responsibility and sustainable development. She emphasized that the facility was designed and constructed with sustainability in mind, and continuous improvements are made to further align with sustainable development principles.

“The LEED certification is a testament to our commitment to sustainable and environmentally friendly construction. Achieving this certification requires meeting strict criteria for energy efficiency, water conservation, material efficiency, indoor air quality, and sustainable operational practices. We are delighted that Kiinteistö Oy Hakkilan Lokki has received this well-deserved recognition.” says Annika Valpola, Ilmarinen’s Customer Manager.

Sustainability in logistics center design

Sustainability played a key role in the design of the Hakkila logistics center. Plans for solar panels were incorporated early in the design phase, and in 2018, a total of 560 solar panels were installed, enabling the facility to generate an average of 17% of its annual energy needs from solar power.



A TOTAL OF
560

**SOLAR PANELS WERE INSTALLED
ON THE ROOF OF THE LOGISTICS CENTER IN 2018.**

According to Tuomas Soininen, HUB logistics' Procurement Manager, energy efficiency was a priority from the beginning. The facility was equipped with LED lighting and motion-sensor controls, ensuring that lighting operates only when needed. Regular energy audits were conducted immediately after the facility's commissioning to continuously improve energy efficiency.

For example, adjustments to the ventilation system's operating hours have reduced unnecessary energy consumption during non-peak hours. These optimizations have lowered carbon emissions and resulted in cost savings.

The use of geothermal heating was also considered in the design phase. However, due to the location on a groundwater area, excavation below the regulatory limit was not permitted. As a result, district heating was chosen as the primary heating source, which is now 100% carbon-free.



"The LEED certification for Vantaa logistics center marks a major milestone in HUB logistics' sustainability efforts. It demonstrates our commitment to reducing environmental impact and continuously improving our operations. This achievement strengthens our position as a responsible player in the logistics industry and underscores our dedication to sustainable development principles," Tuomas Soininen summarizes.



Social responsibility

Social responsibility: Meaningful work and a safe work environment

One of the core objectives of our sustainability efforts is ensuring that every HUB employee feels proud of their work. Our social responsibility program is built around two key themes: meaningful work and a safe work environment.

Our goal is to improve the People Power Index annually and actively monitor the Engagement Index. Our HR strategy is based on clearly defined objectives and value-driven leadership, with a strong focus on organizational development.

A healthy and safe work environment serves as the foundation for employee well-being, productivity, and operational quality, supporting sustainable growth and development for both our employees and the organization. Occupational safety is therefore an integral part of our corporate responsibility.

Employees and workplace community

Employee structure

At the end of 2024 (December 31, 2024), our workforce in Finland totaled 435 employees, consisting of 418 permanent and 17 fixed-term employees. Additionally, 73 employees worked under variable working hours throughout the year.

The number of temporary agency workers fluctuates seasonally based on customer demand at different locations. We primarily use temporary labor for changing production situations and urgent workforce needs.

13% of our workforce consists of clerical and managerial staff, while 87% are production employees. The average age of our employees is 39 years.

Number of personnel at the end of 2024	2022	2023	2024
Women	71	62	87
Men	221	240	348
In total	292	302	435

Employee structure	2022	2023	2024
Permanent	281	293	418
Fixed-term employees	11	9	17
In total	292	302	435



Number of personnel at the end of 2024

- Women
- Men

Age distribution	2022	2023	2024
-29	68	78	106
30 - 39	102	93	135
40 - 49	53	66	111
50 -59	42	37	55
60-	27	28	28
In total	292	302	435

Equality and non-discrimination

Our company is committed to promoting equality and non-discrimination at all levels. The management team, HR department, supervisors, and occupational safety organization are responsible for ensuring fair treatment and maintaining an inclusive workplace.

We strictly comply with legal requirements, which provide the foundation for our fair and inclusive corporate culture. Our goal is to create a genuinely equal workplace where every employee has equal opportunities to succeed and develop.

Our operations are guided by a comprehensive Equality and Non-Discrimination Plan, outlining specific goals and actions to promote fairness and equal treatment. We enforce a zero-tolerance policy against harassment and discrimination.

Additionally, we are committed to ensuring pay equity, ensuring that our employees are fairly and equally compensated based on their performance.

Workplace safety culture

At HUB, our workplace safety culture consists of multiple factors that ensure a safe working environment every day. These key elements define our safety culture:

- Safety onboarding and work guidance
- Safety training and maintaining qualifications/certifications

Unit-specific safety guidelines

- Regular maintenance of equipment and tools
- Safety inspections
- Risk assessments
- Safety observations and root cause analysis
- Safety briefings and active safety communication

We set annual safety goals at both corporate and unit levels. Active safety communication and sharing knowledge across units help us achieve these targets. We publish a monthly safety briefing and discuss workplace safety issues in our monthly info session, attended by unit managers and other key personnel.

The achievement of workplace safety goals is monitored using specific safety indicators. Measuring progress helps us understand how safety has improved, the impact of implemented actions, and what additional measures are needed to enhance workplace safety.

Emergency descent training in Kotka

In March 2024, we conducted our first emergency descent training at the Kotka logistics center for combi truck operators and supervisors. The training aimed to ensure the safe evacuation of personnel from elevated combi trucks in potential emergency situations, such as mechanical failures or fire hazards.

Led by a Jungheinrich specialist, employees learned how to use safety harnesses and practiced emergency descent procedures. The training emphasized scenarios where the emergency descent valve is not functional, requiring manual descent using harnesses. While such emergencies are highly unlikely, this training strengthens our preparedness to act safely in any situation.

Management safety walks – A new approach to enhancing workplace safety

Occupational safety is a central theme in our corporate responsibility program, and we continuously invest in improving safety. Safety walks are one way we are taking steps toward a safer work environment.

We have introduced a new occupational safety initiative called Management Safety Walks, which involve the CEO, Development Director, Business Director, QHSE Manager, Unit Manager, and, whenever possible, the unit's safety representative. The purpose is to identify and eliminate potential risks to ensure a safe workplace for all employees.



SAFETY WALKS ARE CONDUCTED REGULARLY, WITH TWO TO THREE PER QUARTER.

The management safety walk includes an initial meeting where unit safety observations, work accidents, and any other safety-related issues are reviewed. After this, the actual safety walk is conducted in the unit’s premises, interviewing employees. Finally, the safety walk is documented in the Falcony system.

Safety walks are conducted regularly, with two to three per quarter. The purpose of this initiative is to ensure compliance with both HUB’s and customers’ safety practices while also generating new ideas for improving safety. The model also reinforces HUB’s commitment to a strong safety culture across all operational units.



“When management and employees join forces to improve safety, we build a stronger community and a better work environment. Insights and observations help us enhance operations daily because there is always room for improvement.”

– Sampo Arppola, QHSE Manager

Workplace accidents

The number of workplace accidents is a key indicator of workplace safety and serves as a measure of the effectiveness of safety initiatives. We monitor accident frequency using the following safety metrics:

- MTI (Medical Treatment Injury): Minor workplace injury requiring medical care or first aid.
- LTI1 (Lost-Time Injury 1 day or more): Workplace accident leading to at least one lost workday.
- LTI4 (Lost-Time Injury 4 days or more): Workplace accident causing at least four lost workdays.

Annual workplace safety goals for 2024:

- LTI4 frequency target ≤ 10
- LTI1 frequency target ≤ 20

In 2024, HUB recorded 34 workplace accidents, three more than in 2023. The increase was primarily due to a rise in commuting accidents, which accounted for 26% of all incidents. However, the number of on-site workplace accidents decreased by one case.

Seven of our units reported zero workplace accidents in 2024.

While we did not fully meet our overall targets, we observed positive developments in several areas:

- MTI frequency decreased by 18%
- LTI1 frequency dropped by 10%
- LTI4 frequency increased by 12.5% compared to 2023

The total number of workplace accidents declined by 4% from 2023. However, there was a significant 80% increase in commuting accidents, requiring special attention and targeted actions in the coming year.

Accident frequency	2020	2021	2022	2023	2024
MTI	21	23	29	39	32
LTI4	11	10	13	16	18
LTI1		20	24	30	27

Occupational safety observations

Recording safety observations is a key part of our safety efforts. We encourage employees to report all events, deficiencies, and issues that may pose a risk to safety in our digital system. Each observation is reviewed, root causes are analyzed, and corrective actions are taken to prevent recurrence.

Actively reporting and addressing safety observations is a sign of a mature safety culture, where every member of the workplace community takes responsibility for collective safety.

In 2024, a total of 1,172 safety observations were reported at HUB. The number of safety observations has steadily increased over the past five years, with a significant rise compared to 2023. Since 2020, the number of reported observations has increased by 124%.

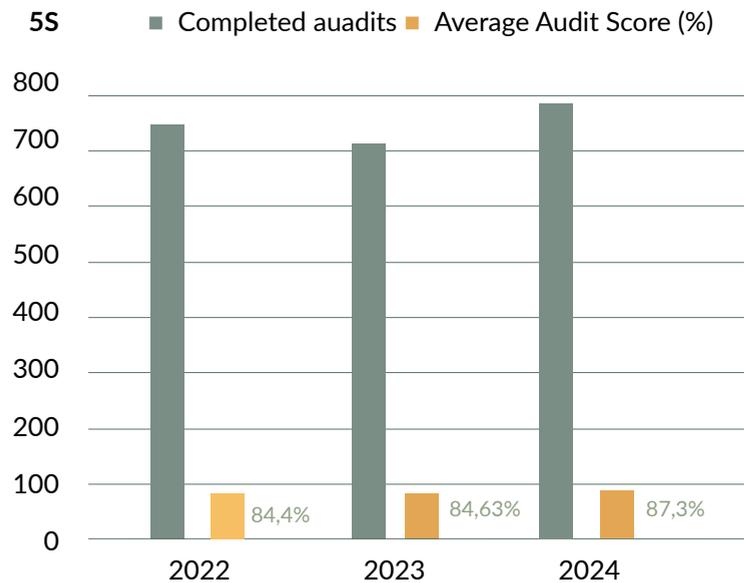
SAFETY OBSERVATIONS
HAVE INCREASED BY

124% OVER FIVE
YEARS.

5S+Safety: A model for a safer workplace

The 5S methodology, a key component of lean management, aims to streamline workplace operations, enhance safety, and improve job satisfaction. By focusing on small details, such as optimized placement of tools and removal of unnecessary items, we improve workplace ergonomics and safety. A clean and organized work environment enhances efficiency, reduces downtime, and promotes overall workplace safety.

The 5S+Safety model includes regular audits to assess goal implementation and document any deviations for corrective action. Monthly audits ensure workplace cleanliness and organization, reducing time spent searching for tools and materials while improving work satisfaction. The model also helps identify deviations and enhances comprehensive occupational safety.



Employee development and well-being

Employee survey: HUB logistics receives Finland's Most Inspiring Workplaces recognition again

We conduct an annual employee survey, carried out by Eezy Flow. The survey provides a comprehensive overview of the current state of employee experience and the prerequisites for strategy implementation. At HUB logistics, the Eezy Flow employee survey was conducted for the fourth time.

Eezy Flow conducts the employee survey annually for hundreds of Finnish organizations, with over 150,000 respondents each year. The survey measures dedication, engagement, leadership, and organizational performance using the PeoplePower® framework developed by Eezy Flow. The survey results are compared to previous years' responses and the service provider's standard, helping to understand the company's position relative to the employee norm.

Based on the results, HUB logistics exceeded Finland's employee norm (64.3), achieving a score of 65.8 in the People Power index in 2024. Our index increased by 3.1 points from the previous year and is now 1.5 points above the norm. This means we are one of Finland's most inspiring workplaces.

More information: www.innostavimmat.fi



PEOPLEPOWER RATING: AA (GOOD)

People Power INDEX **65.8** | RESPONSE RATE **74.9%**



"It is truly great to receive the recognition of Finland's Most Inspiring Workplaces. Our People Power index has developed favorably in every survey over the past four years. The result indicates that we have succeeded in doing the right things for our employees' well-being and engagement, and we have been able to continue positive development. A warm thank you to our employees for their good and persistent work. We can be proud of this achievement together."

– Markku Valpas, CFO

HUB's discussion culture

The goal of annual development discussions is to enhance performance, well-being, and explore potential career and learning opportunities within the company. Our target is a 100% completion rate for these discussions. In 2024, the actual completion rate was 85%.

In addition to development discussions, employees engage in One-2-One discussions with their supervisors, as well as career discussions to assess interest in expanding skills or taking on new responsibilities. One-2-One discussions support employee growth and well-being, ensuring their voices are heard.

Career discussions help clarify career paths within HUB, showing how employees can progress or diversify their roles.

Competence development

We actively encourage employees to develop their professional skills. Employee skills are tracked using competence matrices, and apprenticeship training is available on a case-by-case basis.

We regularly provide training sessions related to work tasks and occupational safety, including occupational safety basics, fire safety training, first aid training, hazardous materials handling and other essential industry certifications

Additionally, during fall 2023 – spring 2024, we partnered with Rastor Institute to offer a leadership training program for about 50 team leaders and managers nationwide. The program focused on practical tools for team collaboration, with themes such as coaching-based communication, self-leadership and temperament intelligence



We regularly organize first aid training.

“Training brings fresh energy to our organization. Participants found the sessions valuable, providing insights into their work’s importance while encouraging them to introduce new ideas into daily operations.”

– Pirjo Valpas, HR Specialist



166
TRAINED EMPLOYEES

1350
TRAINING HOURS

85%
COMPLETION RATE
FOR DEVELOPMENT
DISCUSSIONS

180
TRAINING DAYS



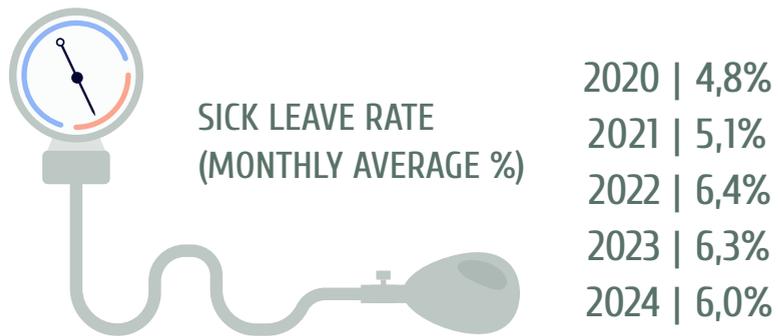
Safety first thinking ensures a healthy and safe working environment. Training in occupational safety was provided at the Vantaa logistics center.

A thriving work community

At HUB, we prioritize employee well-being, as a healthy workforce is essential for efficient logistics. Our sustainability program emphasizes that every employee should feel proud of their work. We support employee satisfaction through process improvements and recognition programs, such as the Employee of the Month award.

We conduct workplace assessments and monitor sick leave trends to identify occupational safety and health risks. Most absences are due to seasonal illnesses or musculoskeletal disorders, common in physical warehouse work.

Based on employee feedback, we organize recreational activities like disc golf tournaments and offer company-wide wellness benefits, including ePassi for sports & culture and comprehensive occupational health services.



Employee recognition and rewards

We reward employees in various ways. Performance-based bonuses are linked to key targets, including quality and safety goals.

Monthly Improvement Idea Awards: Employees submit process improvement ideas, and the most impactful suggestions are rewarded.

Safety Observation Recognition: The best safety observation is highlighted each month.

Annual Employee of the Year Awards: Recognizing four outstanding employees in categories such as: resilience, initiative, excellence and positivity.

“For over three years, we have celebrated employees who inspire others, set a great example, or bring positivity to the workplace. Employees can nominate colleagues who deserve recognition based on quality, attitude, or teamwork. This practice has strengthened our work culture and boosted morale.”

– Markku Valpas, CFO



Kangasala wood packaging services move to new facilities: Investing in employee well-being and sustainability

In 2024, HUB logistics' Tampere wood packaging services relocated to new facilities in Kangasala. This move allowed for a greater focus on workspace development and ergonomics. The new premises not only provide a more modern and efficient working environment but also enhance employee health and well-being.

According to the unit manager, employee surveys had highlighted the need for improved and more functional facilities. The previous building was old and in poor condition, with damaged floors posing safety risks and making work more difficult. The new premises were already in good condition, creating an optimal setting for safe and efficient operations. For example, air quality improved significantly compared to the previous location.

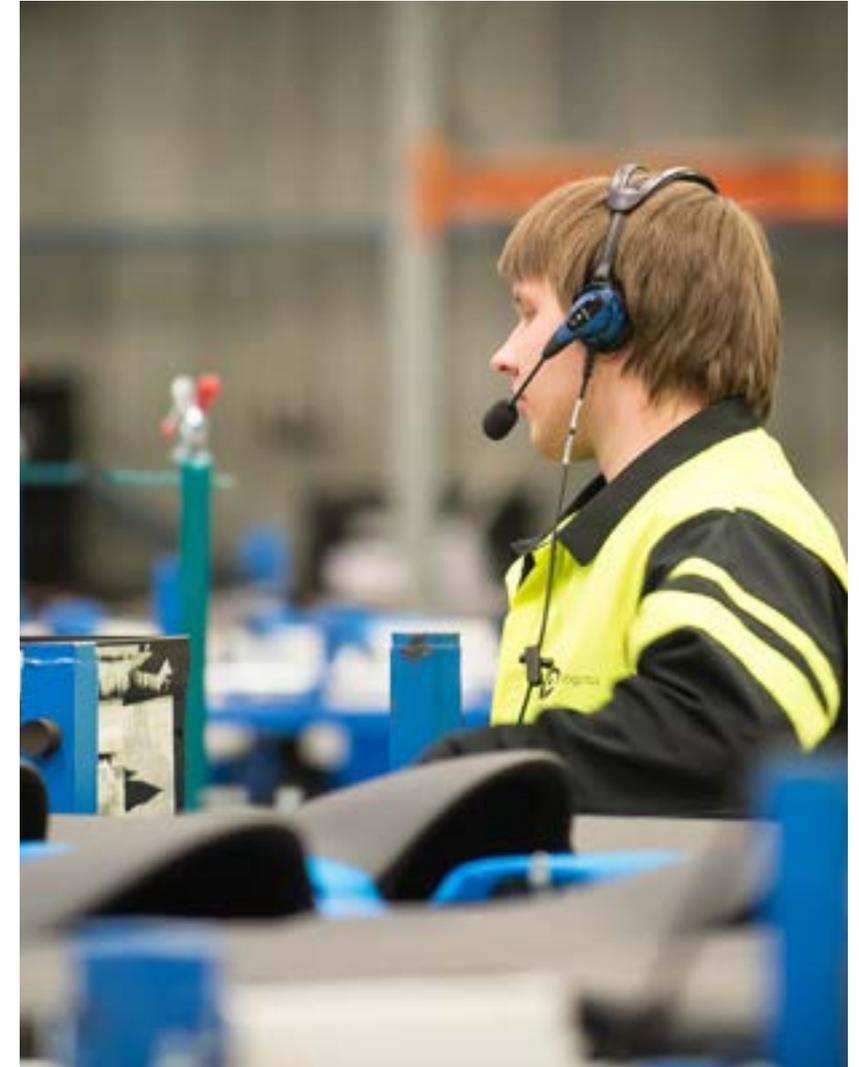


In the new facilities, the 5S methodology has been further developed to ensure that each employee can work ergonomically and efficiently. As part of 5S principles, unnecessary items have been removed, and workstation layouts have been optimized to reduce unnecessary movement and improve workflow.

Community Engagement and corporate responsibility

Summer workers, interns and work trials

Across our various units, we have hosted interns and work trial participants for varying durations, ranging from a few days to several months. Work trials provide opportunities for individuals in vocational rehabilitation, long-term unemployment, or young job seekers to assess their capabilities and support their return to the labor market.



24
SUMMER
EMPLOYEES

23 interns
7 work trial participants
1 completed thesis project



Charity

As part of our semi-annual customer satisfaction survey, we collect feedback and insights to improve our business operations. In 2024, we donated €2 per response to charity, with the funds directed to UNICEF’s Children’s Fund to support children in vulnerable situations.

Our annual Christmas donation for 2024 was made to MIELI Mental Health Finland, which supports youth mental health services. The funds help young people facing depression, anxiety, or bullying.

“Once again this year, we want to support youth mental health, as we understand how crucial this assistance can be in the face of life’s challenges. Our annual donation is a tangible way to help prevent difficulties from escalating and to provide support when it is needed most.”

– Joni Sundelin, CEO, HUB Logistics

More information: mieli.fi/en

Supporting children’s and youth sports through sponsorships

In line with our corporate sustainability program, we have committed to supporting youth sports through sponsorships. In 2024, we provided financial support to two different initiatives.

Floorball in Satakunta: FBT Karhut P15 wins bronze

During the 2023–2024 season, the P15 team of FBT Karhut in Pori won bronze in the national youth league. HUB logistics proudly sponsors a dedicated player on the team. Congratulations to our sponsored player and the entire team for their outstanding performance!



SUPERVISED SPORTS ACTIVITIES PROVIDE CHILDREN AND YOUNG PEOPLE A SAFE ENVIRONMENT TO MEET OTHER CHILDREN.



Don’t Quit campaign: Enabling sports for children and youth

Sports play a crucial role in children’s and young people’s development, fostering social skills and a healthy lifestyle. Supervised sports activities offer a safe environment for children to interact with peers while learning important life lessons about discipline, teamwork, and perseverance.

Unfortunately, many families face financial difficulties that prevent their children from participating in organized sports, such as ice hockey. The Don’t Quit Campaign by Lahti Pelicans aimed to create better financial opportunities for children and youth in the Lahti region to start and continue sports activities. By joining the campaign alongside many other companies, we helped raise over 280 hours of ice time for youth teams, ensuring that more children can afford to play ice hockey.



HUB logistics Finland Oy
Vanha Porvoontie 256b, 01380 Vantaa
info@hub.fi