



# Sustainability report 2025

**forchem**  
RESPOL GROUP



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# 1. Forchem

## *Creating competitive advantage through the circular economy*

Forchem is a biochemical company that develops and manufactures products based on renewable raw materials for the chemical, energy and biofuel industries worldwide. The company's production facility is located in Rauma, Finland, and its operations form part of an international value chain. Forchem's business is built on long-term industrial expertise, systematic process development and the ability to respond to the evolving needs of its customers. The company's products support customers in their transition towards lower-carbon and more resource-efficient solutions by enabling the replacement of fossil-based raw materials with biobased alternatives.

Forchem's product portfolio within the basic chemicals industry is divided into four main product groups: tall oil fatty acids, distilled tall oils, tall oil rosins and tall oil pitch. Forchem's customers are internationally operating industrial companies, particularly within the chemical, energy and fuel sectors. In 2025, Forchem placed a specific focus on product development for

the biofuel sector, supporting customers in their shift towards renewable and lower-emission fuel solutions.

Forchem's key business relationships include raw material suppliers and customers. The company's primary raw material, crude tall oil, is classified as a waste or residue under the EU Renewable Energy Directive (RED III), reinforcing its sustainable role within a biobased value chain. In addition, the majority of the crude tall oil used by Forchem is ISCC EU certified, supporting responsible sourcing and full traceability throughout the supply chain.

In addition to its biorefinery in Rauma, Forchem operates three sales offices in Europe. The company is owned by the Respol Group, which is headquartered in Leiria, Portugal.

Forchem's value chain begins with the sourcing of raw materials and continues through production processes to the delivery of finished products to customers. The company's production

facility in Rauma is responsible for raw material handling, processing and quality assurance of production. The processes are designed to support resource efficiency, product safety and the management of environmental impacts. High-quality and consistent production is a central element of Forchem's customer promise. Forchem's customers operate across a wide range of industrial sectors, and the company's products form an integral part of their value chains. Through biobased solutions, Forchem supports its customers' sustainability targets and contributes to reducing the use of fossil-based raw materials. In this way, Forchem's impact extends beyond its own operations into the wider industrial ecosystem.

The objective of Forchem's sustainability work is to support long-term, profitable growth and to respond to the expectations of customers, stakeholders and society. The company's circular economy-based business model enables the development of solutions that promote sustainable industry and support the transition towards a lower-carbon economy.

# forchem

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# 2. From the CEO

## *Responsible renewability*

Since its founding, Forchem has built its business on the principles of the circular economy and biobased solutions. What once was simply a natural way of operating has today become an increasingly clear competitive advantage and a prerequisite for sustainable growth. This sustainability report is the first time we have brought our responsibility work together into a single, comprehensive whole and made visible what we have long been implementing in our everyday operations.

In 2025, we launched a focused effort to develop a sustainability strategy. This work was driven by growing expectations from our customers and the market, as well as our own ambition to develop Forchem in a more systematic and transparent way. Although responsibility has always been part of our operations, we recognised that documentation, metrics and a shared framework are essential in order to meet future requirements.

Environmental responsibility is a natural part of our business, but at the same time we acknowledge that we must continuously improve our own performance. We have set a clear target to reduce the carbon dioxide emissions of our own operations and to progress towards carbon neutrality in the long term. This work is carried out in a measurable way, step by step.

People are Forchem's most important asset. A safe working environment, open dialogue and continuous competence development form the foundation on which we build sustainable business. I am particularly proud of our long period without work-related accidents, which reflects both strong commitment and genuine care within our work community.

As part of the Respol Group, we operate with the support of a long-term, family-owned company. This enables us to make investments and decisions that support sustainable development over the long term. Responsible governance, ethical principles and effective risk management are essential to maintaining the trust of our stakeholders in the future.

I would like to thank all Forchem employees, our customers and our partners for their commitment to this shared journey. This report marks the starting point for continuous development – not the end. Together, we will continue our work towards a more sustainable, safer and more successful Forchem.

**Henrik Lindegrén**  
CEO

forchem

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# 3. Sustainability Strategy

*Responsible growth built together*

During 2025, Forchem focused on sustainability matters in a more systematic and comprehensive manner than before. As a result of this work, the company established its first unified sustainability strategy. The objective of the strategy is to make Forchem’s responsible operations more visible and to guide their development in a more goal-oriented way. Forchem’s sustainability strategy is based on the material impacts of its business and on realistically defined objectives.

As part of the launch of the sustainability strategy, Forchem consolidated and structured its existing sustainability work into a coherent whole. The work was supported by the VSME reporting framework, which was used to compile the company’s sustainability practices into a systematic sustainability principles table. The table describes Forchem’s key sustainability-related principles and practices and serves as a foundation for the further development and reporting of sustainability work.

	Policy or initiative in place	Publicly available	Includes targets
<b>Climate change</b>	Yes	Yes	Yes
<b>Pollution</b>	Yes	No	No
<b>Water and marine resources</b>	Yes	No	No
<b>Biodiversity and ecosystems</b>	No		
<b>Circular economy</b>	Yes	No	No
<b>Own workforce</b>	Yes	No	No
<b>Workers in the value chain</b>	Yes	No	No
<b>Affected communities</b>	No		
<b>Consumers and end users</b>	No		
<b>Business ethics</b>	Yes	No	No

In connection with the implementation of the sustainability strategy, Forchem selected four United Nations Sustainable Development Goals (SDGs) to which the company is committed and through which its sustainability work is assessed. The selected goals reflect the most material impacts of Forchem's business and provide a shared framework for the development, monitoring and communication of sustainability efforts:



Forchem views its sustainability strategy as a means to respond to the requirements of a changing operating environment and to strengthen trust among customers and other stakeholders. Through the strategy, sustainability work is made visible, measurable and developed as a consistent part of the company's business operations. This sustainability report forms part of that development effort and serves as a starting point for the long-term monitoring and reporting of Forchem's sustainability performance.

This sustainability report covers the business operations and production activities of Forchem Oyj at its Rauma site for the reporting year 2025 (1 January – 31 December 2025). The report focuses on Forchem's own operations as well as the material impacts within its value chain. Key sustainability topics related to the environment, personnel, supply chain and governance have been taken into account in the reporting.

The report has been prepared to support ESG reporting and follows the principles of the VSME standard. It has been prepared in accordance with the core module of the standard. In addition, the report includes information from the extended module to the extent that such data was available at the time of reporting. The objective is to provide stakeholders with a clear and comparable overview of Forchem's sustainability work.

# 4. E - Environmental Responsibility

*Step by step for the environment*



**Forchem contributes to responsible consumption and production by enabling the replacement of fossil-based raw materials with biobased solutions across the value chain.**



**Forchem focuses its climate action on lowering emissions from its own operations and enhancing energy efficiency over the long term.**

Forchem's environmental responsibility is based on the circular economy and the exclusive use of renewable, biobased raw materials. Environmental responsibility is integrated into Forchem's daily operations and implemented through long-term development of production processes, resource efficiency and the management of environmental impacts. Forchem reports its environmental emissions to the competent authorities in accordance with its environmental permit and monitors emissions as part of its certified environmental management system (ISO 14001).

Forchem's environmental aspects assessment brings together the key environmental impacts of its operations, their significance, and the measures in place to manage environmental risks. The assessment supports the identification of the most material environmental impacts and ensures that they are managed systematically as part of production planning, monitoring and continuous improvement. Emissions to air and energy use play a central role in Forchem's environmental work.

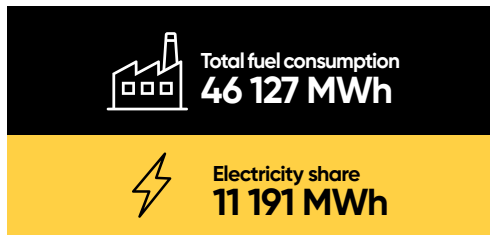
Energy consumption is a key element of Forchem's environmental impact and the resource efficiency of its production operations. Energy use is monitored systematically and utilised in the development of production processes and the management of environmental impacts. In 2025, Forchem transitioned to the use of renewable electricity. During the reporting period, Forchem's total energy consumption amounted to 58,825 MWh. Of this, electricity accounted for 11,191 MWh, while the total consumption of fuels amounted to 46,127 MWh.

The structure of energy consumption reflects Forchem's ambition to utilise renewable energy sources wherever this is technically and economically feasible. Energy use is reviewed as part of continuous improvement, and development actions are targeted at increasing energy efficiency and reducing the use of fossil energy sources.

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## ENERGY CONSUMPTION DURING THE REPORTING PERIOD



Forchem's total energy consumption was 58 825 MWh

Forchem is committed to the national Energy Efficiency Agreement for the period 2017–2025 to support continuous improvements in energy efficiency and has integrated the ETJ+ energy management system into its management system. During this period, Forchem achieved over 80% of its energy saving target. Monitoring of energy consumption supports the further development of energy efficiency and enables the effective targeting of improvement measures.

During the reporting period, Forchem's direct greenhouse gas emissions (Scope 1) amounted to 9,186 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). As a result of the transition to renewable electricity, Scope 2 emissions were reduced to zero. The combined emissions intensity of Scope 1 and Scope 2 emissions was 0.0000880 tCO<sub>2</sub>.

As part of the sustainability strategy developed in 2025, Forchem has set a greenhouse gas emissions reduction target for its own operations. The establishment of this target supports the company's strategic ambition to make sustainability work visible, measurable and systematically developed as an integral part of the business. Forchem's objective is to reduce carbon dioxide emissions from its own operations (Scope 1 and Scope 2) by 20% by 2030, compared to the 2022 base year. The target set for 2030 serves as an interim milestone, enabling progress to be monitored and development measures to be effectively targeted. In the long term, Forchem aims to achieve carbon neutrality in its own operations by 2050.

Forchem systematically monitors its air emissions and pays particular attention to sulphur oxides (SO<sub>x</sub>/SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>/NO<sub>2</sub>), which are key contributors to air quality impacts associated with industrial operations. During the reporting period, total sulphur dioxide emissions amounted to 29 tonnes, while emissions of nitrogen oxides totalled 1.6 tonnes. Emissions are monitored in accordance with the environmental permit requirements and as part of the company's certified environmental management system.

The total land area used by Forchem's production facility is 58,434 square metres. The operations are located in an established industrial area in Rauma and are not associated with significant land-use related environmental or human rights risks. Forchem's activities are not situated in areas sensitive in terms of biodiversity, nor in historically or culturally significant areas, and they are not associated with deforestation, indigenous peoples' rights or other land-use related social risks.

Water use is monitored systematically, and the consumption of fresh water is minimised through process optimisation and efficient use. During the reporting period, Forchem withdrew a total of 82,814 cubic metres of water. The volume

## WATER USE DURING THE REPORTING PERIOD



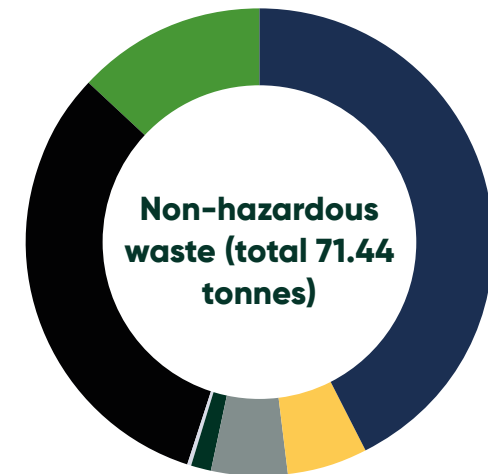
During the reporting period, Forchem's operations used a total of 82,814 m<sup>3</sup> of water.

of wastewater generated from production processes amounted to 43,834 cubic metres, all of which was directed to a municipal wastewater treatment plant for appropriate treatment. Total water consumption during the reporting period was 38,980 cubic metres. Wastewater management is a key element of environmental risk management, with the objective of ensuring that all wastewater is treated in compliance with applicable environmental permits and legislation, and that adverse environmental impacts are prevented.

During the reporting period, Forchem generated a total of 394.54 tonnes of waste, of which 323.10 tonnes were hazardous waste and 71.44 tonnes were non-hazardous waste. A significant share of the non-hazardous waste was diverted to recycling or reuse, particularly in the case of metals, wood, cardboard and biodegradable waste.

Environmental responsibility is also assessed from a product life cycle perspective. Forchem has conducted life cycle assessments (LCAs) for four of its main basic chemicals products. These assessments support the understanding of the environmental impacts of the products and provide customers with transparent information on their life cycle impacts.

## BREAKDOWN OF WASTE BY WASTE TYPE:



- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li><span style="color: green;">■</span> Other hazardous wastes not otherwise specified: 314.79 t – disposal</li> <li><span style="color: darkgreen;">■</span> Aqueous liquid wastes containing hazardous substances: 4.60 t – disposal</li> <li><span style="color: grey;">■</span> Construction and demolition wastes containing hazardous substances: 2.20 t – disposal</li> <li><span style="color: orange;">■</span> Engine, gear and lubricating oils: 1.06 t – disposal</li> <li><span style="color: darkblue;">■</span> Wastes containing oil: 0.43 t – disposal</li> <li><span style="color: lightgrey;">■</span> Other solvents and solvent mixtures: 0.03 t – disposal</li> </ul> | <ul style="list-style-type: none"> <li><span style="color: darkblue;">■</span> Ferrous metal filings and turnings: 30.38 t – recycling</li> <li><span style="color: yellow;">■</span> Paper and cardboard packaging: 4.10 t – recycling</li> <li><span style="color: grey;">■</span> Wood waste: 3.82 t – recycling</li> <li><span style="color: darkgreen;">■</span> Biodegradable waste: 0.88 t – recycling</li> <li><span style="color: lightgrey;">■</span> Glass waste: 0.15 t – recycling</li> <li><span style="color: black;">■</span> Mixed municipal waste: 22.98 t – disposal</li> <li><span style="color: green;">■</span> Other non-hazardous wastes not otherwise specified: 9.14 t – disposal</li> </ul> |
|---|--|

# S- Social Responsibility

*Safe work and skilled people*



**A safe working environment, skilled personnel and responsible employment practices.**

At the end of the reporting period, Forchem employed 49 people. Of the personnel, 47 were employed on permanent contracts and two on fixed-term contracts. The gender distribution of the workforce consisted of 32 men and 17 women. Forchem operates in more than one country: 46 employees worked in Finland, while one employee was employed in the United Kingdom, one in France and one in Germany. During the reporting period, five employees left the company and three new employees joined, resulting in an employee turnover rate of 19.23%. All Forchem employees receive at least the minimum wage in accordance with national legislation or applicable collective bargaining agreements. The entire workforce in Finland is covered by collective bargaining agreements.

Forchem has an active cooperation committee that promotes open and constructive dialogue between the employer and employees. The objective of the cooperation is to increase transparency and to address workplace-related matters proactively. In addition, the company has an occupational safety committee, which is responsible for promoting occupational safety and the continuous development of working conditions.



Employee well-being is supported through comprehensive occupational health services as well as clearly defined equality and non-discrimination principles. These measures ensure that the working environment is safe, fair and respectful to all. Forchem places strong emphasis on preventive well-being initiatives and on supporting employees in different life situations.

Forchem has a Code of Conduct applicable to all employees, guiding operations in accordance with ethical, transparent and lawful principles. In addition, the company applies a set of practical "Golden Rules" that support everyday conduct and complement the formal Code of Conduct. Through these guidelines, responsible behaviour is embedded into daily working life in a clear and accessible manner.

The company operates a whistleblowing channel in accordance with EU directives, through which employees and external stakeholders can report suspected misconduct. The channel enables confidential and anonymous reporting

without fear of retaliation and supports early intervention in potential irregularities. A clear procedure has been defined for handling cases of inappropriate conduct when a formal process is considered appropriate. At the same time, Forchem encourages open dialogue and the raising of concerns at a low threshold before formal procedures become necessary. During the reporting period, no confirmed cases of corruption, bribery or misconduct were reported at Forchem.

Forchem has a development plan in place aimed at supporting the well-being, competence development and work ability of its employees. The development plan provides a proactive framework for personnel development and supports the organisation's objectives in a changing operating environment. In addition, the plan aims to support and promote the effective and goal-oriented operation of the cooperation committee. It serves as a shared framework for identifying, addressing and monitoring personnel-related development needs and strengthens dialogue between the employer and employees.

Forchem complies with an equality and non-discrimination plan in accordance with national legislation on gender equality and

equality between individuals. The objective of the plan is to promote an equal and non-discriminatory working environment and to ensure that employees are treated fairly and respectfully at all stages of working life. Equality and non-discrimination efforts form part of Forchem's social responsibility and support the development of a safe, inclusive and well-being-oriented work community.

Forchem supports employees' opportunities to arrange working hours in a way that suits their individual life situations. Working time arrangements take into account both individual employee needs and the operational requirements of the employer and job-related demands. The aim is to promote work ability and work-life balance while considering business needs.

Remote work is widely permitted at Forchem in roles where tasks can be performed efficiently outside the primary workplace. Remote working practices support flexibility and employee well-being and enable work in different life situations.

Employee well-being and work ability are monitored regularly through the Työvire employee survey, which is conducted twice a year. The survey results are utilised in the development

of well-being initiatives and, where necessary, in planning targeted improvement measures. The most recent Työvire survey resulted in an employee Net Promoter Score (eNPS) of 22.

In August 2025, Forchem reached eight years without a work-related accident leading to sick leave among its own personnel, and the accident frequency rate during the reporting period was zero (LTIFR). This is a significant achievement and demonstrates that safety is a genuinely valued part of the company's operating culture. The result is supported by clear operating models, guidelines and strong employee commitment to safe working practices. However, the long accident-free period does not diminish the importance of safety work in the future. On the contrary, Forchem recognises that safety requires continuous attention, anticipation and development. Occupational safety is not taken for granted but is regularly reviewed as part of risk management and everyday work. Safety work is supported by situation-specific safety instructions and an open discussion culture that encourages reporting safety observations and development needs at a low threshold, ensuring that safety remains a priority going forward.

During the reporting period, a total of 79,519 working hours were recorded, and the average

annual working time of one full-time employee was 1,636 hours. Developing employee competence is a central element of Forchem's social responsibility. Forchem supports skills development through individual development plans, supervisory work, on-the-job learning, and internal onboarding and knowledge sharing as part of daily operations. During the 2025 reporting period, training hours were not systematically monitored, and therefore quantitative data on training hours per employee is not available.

As part of the development of the sustainability strategy, Forchem established a new supplier risk assessment process to support more systematic stakeholder management. In addition to employees and customers, key stakeholders include raw material suppliers, logistics providers and other partners whose activities influence Forchem's value chain and overall sustainability performance. The objective of the risk assessment process is to identify and evaluate sustainability-related risks associated with suppliers and to support proactive and transparent cooperation throughout the value chain.

Although the forthcoming EU Corporate Sustainability Due Diligence Directive (CSDDD)



will not directly apply to Forchem, its key principles and themes were taken into account in the development of the risk assessment process. These include considerations related to human rights, working conditions and environmental impacts. The risk assessment template brings these themes together and serves as a practical tool for developing stakeholder cooperation. The new supplier risk assessment process supports Forchem's objective of strengthening responsible and long-term relationships with its stakeholders by making sustainability expectations visible and addressing them consistently as part of business development. During the reporting period, Forchem had no suppliers or procurement from high-risk countries.

Forchem has a publicly available Code of Conduct for stakeholders, which defines the principles of responsible conduct across the value chain and requires stakeholders to actively promote responsible practices. The stakeholder Code of Conduct covers the key ethical and sustainability topics relevant throughout the value chain.

The development of new sustainable products and solutions is a central element of Forchem's responsible business and sustainable economic growth. Product development and innovation support the company's long-term competitiveness and enable business development in a way that creates value for customers, employees and society. At Forchem, research and development activities are based on skilled personnel, collaboration and continuous learning. Innovations are developed in close interaction with stakeholders, supporting the practical applicability of solutions and responding to changing market needs. The development of sustainable solutions supports Forchem's responsibility to promote industrial transformation and long-term growth. From a social responsibility perspective, Forchem views innovation as an investment in the future.



# G – Governance

## *Responsible business practices*



**Forchem contributes to a sustainable industrial value chain through responsible management of its infrastructure, long-term investments and close cooperation with its partners.**

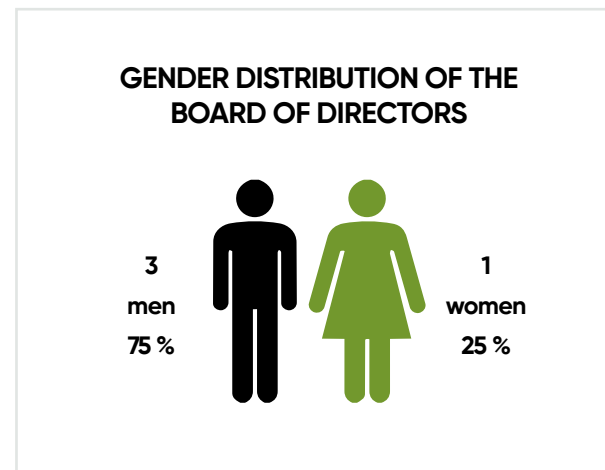
Forchem's governance is based on responsible decision-making, ethical business practices and the long-term development of industrial operations. Good governance supports sustainable industrial activity, reliable infrastructure and business continuity in line with UN Sustainable Development Goal 9.

Forchem is part of the Portuguese family-owned company Respol Group. During the reporting period, the company's total assets amounted to EUR 103 million and its turnover was EUR 104 million. At the end of the reporting period, Forchem's management team consisted

of six members, all of whom were male. The implementation of the sustainability strategy and related principles is the responsibility of Forchem's management. The Group's Board of Directors is responsible for the company's strategic guidance and oversees the activities of the management team, including matters related to sustainability, risk management and good governance. At the end of the reporting period, the board had four members, of whom

one was female and three were male, resulting in a gender distribution of 25% women and 75% men.

Forchem's long-term commitment to sustainability has been assessed through EcoVadis evaluations since 2019, supporting the company's continuous development as a responsible operator. In addition, Forchem was granted ISCC EU and ISCC PLUS certifications in 2020, demonstrating its commitment to sustainable and traceable raw material sourcing and responsible production practices. Since its early years of operation, Forchem has maintained key ISO-certified management systems, including ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety). The company has also held GMP+ certification for several years. Together, these certifications form the foundation for Forchem's systematic, safe and responsible operations.



Risk management also covers Forchem's own operations. Financial, operational, safety-related and regulatory risks are monitored as part of normal management practices and decision-making processes. Certified management systems, audits and regular monitoring support business continuity and help identify development needs at an early stage.

The objective of Forchem's risk management and governance is to ensure that the company is able to operate reliably, safely and responsibly in a changing operating environment. In this way, Forchem creates the conditions for sustainable business operations and long-term value creation.



