



MOLOK[®]

Responsibility
report 2023



Foreword of CEO

Molok became a part of SULO Group in an acquisition in July -23. For us this was a great step and not least because ESG is an essential part of the group strategy. Over the past year SULO Group is committed to comply to Science Based Target Initiative regarding Carbon Footprint reduction in 2030. Specific targets will be developed and submitted for validation in 2024.

On top of the Carbon Footprint, work safety (HSE) is one of the focus areas in the group level and in Molok operation. Late autumn -23, we decided to recruit a new QS manager for this area.

In the environment sector one highlight was the launch of MolokDomino Low Carbon. This model has a specially produced concrete well which creates 46% less carbon emissions compared to reference model -19. During year -23 we continued to put effort into a large project which in the future enables us to increase the share of recycled plastics in our rotational moulding.

We build the social and environmental progress together with our partners and suppliers. It's a matter of mindset and contribution. We are putting a lot of effort into ESG-progress, meaning that we are expecting same contribution from our essential stakeholders. It tends to be so that the further you are in the ESG-maturity, the harder it becomes to gain relevant results. Together we can overcome even challenging barriers.

Marko Penttinen
CEO



Nr 1 in the world

Molok is Nr 1 from two different perspectives. Firstly that Molok invented the underground system in year 1991 and thus generated a totally new business segment. Secondly our high quality semiunderground collection systems are the market leaders in it's segment.

Molok systems create wide variety of benefits compared to traditional surface bin collection, such benefits being:

- even 80% less emptying needed
- less emptying means less greenhouse gases
- easily 50% less space required
- automated emptying makes the work safer and more ergonomic
- less traffic in the yard makes it safer for children and other residents
- collection of multiple amount of fractions close to homes increases recycling rate

Molok is a part of SULO Group. SULO is the European leader in pre-collection solutions for waste management. Responsibility, also known as ESG-operation, is a solid part of our company strategy. It is a foundation where Molok builds it's steps towards the mission. We have a truly sustainable mindset.

PART OF **SULO**® GROUP

The mission of company Molok

"We improve the efficiency and sustainability of the whole waste management ecosystem, for good of people, living environments and the planet". There are two major factors which support us in fulfilling the mission. One of them is the fact that our waste collection system creates positive CO₂-handprint with emptying during it's long lifecycle. The other is that Molok invests steadily in reducing the CO₂- footprint of it's operation.

Molok approach to responsibility

Focused acts

Our policy is to do focused acts in all areas ESG.

As we have limited resources we need to focus on the most effective action areas.

During the year 2023 we have focused on especially to following:

E

Environmental focus

- Material changes in production to decrease CO₂-emissions
- rHDPE material for rotomolded wells as project nr 1

S

Social focus

- DEI-education for supervisors and personnel
- Individual longer term trainings for personnel

G

Governance focus

- Risk analysis platform for sales and procurement due diligence

Long term operation by Global goals and Molok strategy

Molok has chosen to strive for the European climate targets. During year 2023 we have defined the longer term roadmap to these targets. We have also started to study our target setting based on SBT-target of 1,5 degrees limits by 2030. In this process Molok will be part of SULO Group, which has started the SBT approach.

UN global goals

Molok continuously reduces its climate and environmental impact and supports the wellbeing of both its employees and society. Molok has defined the ESG-targets under the umbrella of following UN's sustainable development goals:



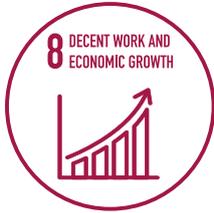
Climate action

Our target is to do concrete actions to improve our climate affect. These actions include decrease of CO₂-footprint and measurement of the development.



Sustainable cities and communities

We support sustainable development of cities and communities by a professional circular economy advice with the help of the sustainable Molok systems. Target is to reduce the amount of mixed waste.



Decent work and economic growth

By offering decent work for people we can create economic growth which creates a positive spiral. Social sustainability is part of this goal including among other welfare & safety at work and possibility for personal development.

Molok strategy

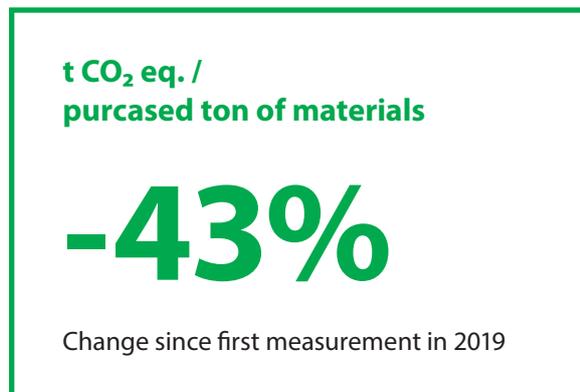
Responsibility has become even more integrated part of the Molok strategy. There is a person in charge of responsibility, but true integration means that the ESG-actions are managed by the Molok function owners.

We have started to think the ESG actions more as a part of “circular economy in products and operations” framework. This approach needs further investigating and definition before we can utilize the circular thinking as a strong guiding factor.

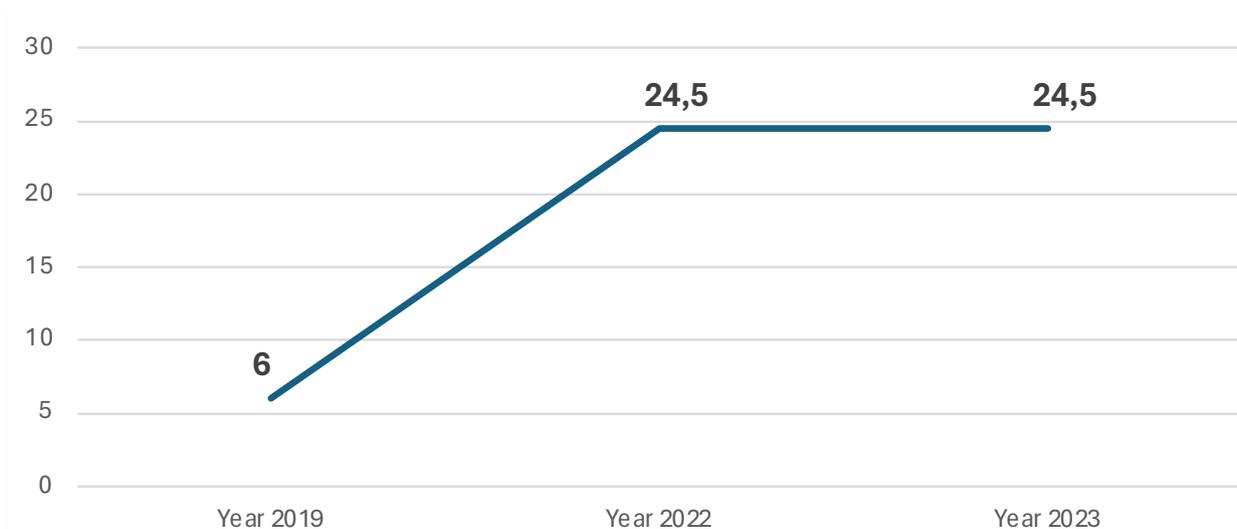
Environmental sustainability

Climate impact improvement

Organization fossile climate change impact



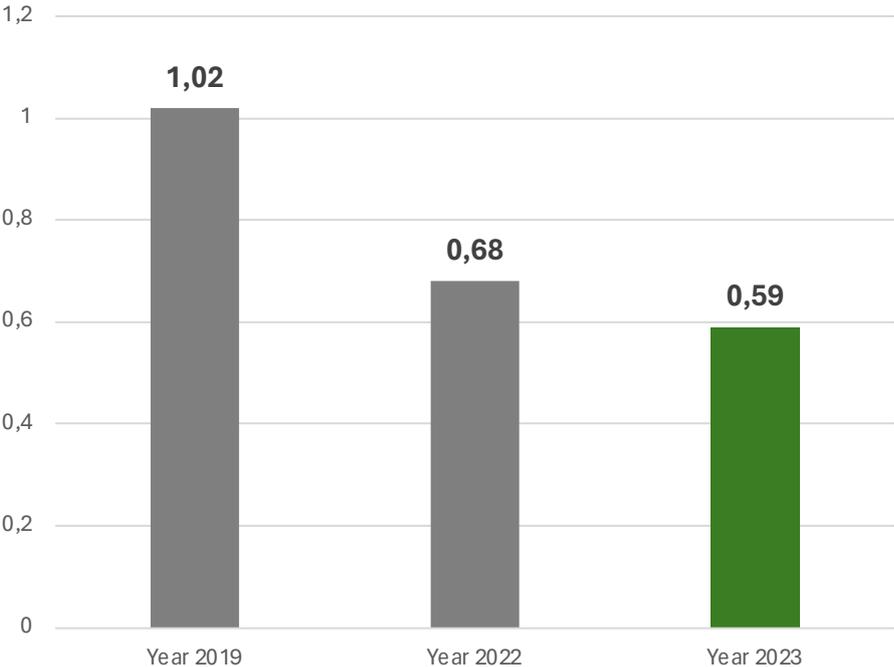
Share of recycled materials in all plastic parts (%)



The CO₂-level of Molok organization has been measured in 2019, 2022 and from previous year 2023. Last year our relative fossile climate change impact improved from a level of 0,68 to a level of 0,59 tCO₂ eq/purchased ton of materials. This means an improvement of 15% as shown in the figure below.

Organization fossile climate change impact

tCO₂-eq / purchased ton of materials



By-product in the main role



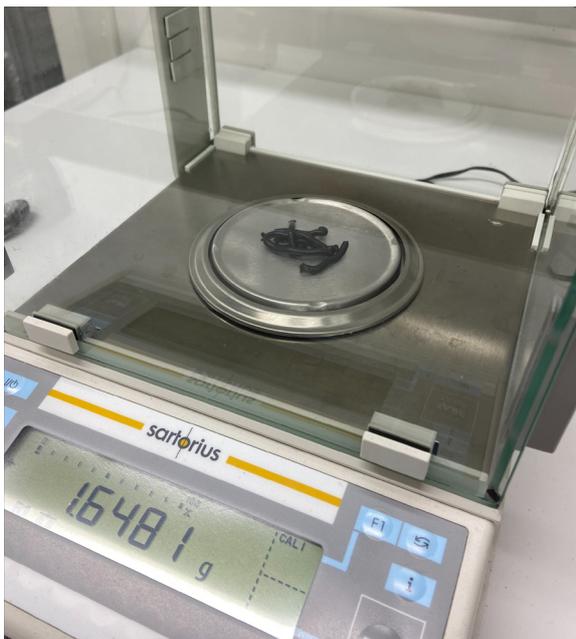
50 % less
CO₂-emissions

Molok® Domino
low carbon



Advertisement of MolokDomino Low Carbon.

We have been able to create a concrete well which CO₂-emissions are 50% lower than the reference well of 2019. The leftover slag from steel industry has been utilized in the receipt of the cement. We call this model MolokDomino Low Carbon.



Melt index measurement and a rotation moulded recycled plastics test well of MolokClassic.

From the models MolokDomino and MolokClassic we have calculated the environmental product declarations, so called EPD-reports. They include the CO₂-levels of those products.

Acts during the report period

- MolokDomino Low Carbon model
- MolokDomino lifting equipment material optimization
- Shifting production to an uninterrupted 3-day rhythm which reduced the natural gas consumption
- Circulation of lid palettes in Finnish transportations creating less wood waste
- Reduction of own truck fleet enabling the utilization of environmental friendly fleet
- Increase of recycled HDPE use in smaller plastic wells
- Project related to recycled HDPE use in bigger plastic wells has continued with active research and testing
- Monitoring of concrete well reduction possibilities has continued

CO₂ handprint of emptying

Handprint calculation measures the effect of emptying of MolokDomino and MolokClassic containers compared to emptying of surface bins.

The study utilized a real collection situation in the capital city area in Finland, including following set up:



Studied real cases:

- Building 1: 28 apartments
- Building 2: 37 apartments
- Building 3: 31 apartments
- Building 4: 35 apartments
- Building 5: 36 apartments

Fractions:

- Mixed, Cardboard, Glass,
- Metal, Plastics, Bio, Paper
- 7 fractions

Fuels of emptying vehicles:

- 0% fossil
- 100% renewable

Result of the study:

- MolokDomino 96 kg CO₂ eq./a resulting 34% lower emptying emissions compared to surface bins
- MolokClassic 98 kg CO₂ eq./a resulting 32% lower emptying emissions compared to surface bins

The kg CO₂ eq./a values are total emissions of the 5 example housing associations.

ISO certifications



ISO standard qualification

Molok's operations have been certified to meet quality (ISO 9001), environment (ISO 14001) and occupational safety (ISO 45001) requirements.

Other environmental certifications



EPD lifecycle assessment

Molok has the Environmental Product Declarations in accordance with ISO 14025 and EN 15804:2012+A2:2019 for MolokClassic 5 m³ (reg.nr S-P-05097) and MolokDomino 5 m³ (reg.nr S-P-05047) waste containers. The assessment will be updated annually and is verified by a third party.



Byggvarubedömningen

Byggvarubedömning is an environmental certification for the Swedish market. This certificate is made for MolokDomino (Product BVB ID: 159636) waste container.

Social sustainability

Growing together for customer satisfaction and welfare at work



Playful team competition during the winter recreation day in January.

Molok Company values



**Satisfied
customer**



**Good place
to work**



Fairness



Growth



Psychological safety and communication at work -training session at Molok training center.

Acts during the report period

Training program for whole personnel

- Occupational safety card
- Workplace skills
- First aid card (e-learning)
- Anticorruption (e-learning for white collar staff)
- Data security (e-learning)

Training program for white collar staff

- GDPR (e-learning)
- Risk analysis: Psychosocial, physical risks at work

Training program for supervisors

- Diversity, Equity, Inclusion
- Psychological safety and communication at work

Training program for management team

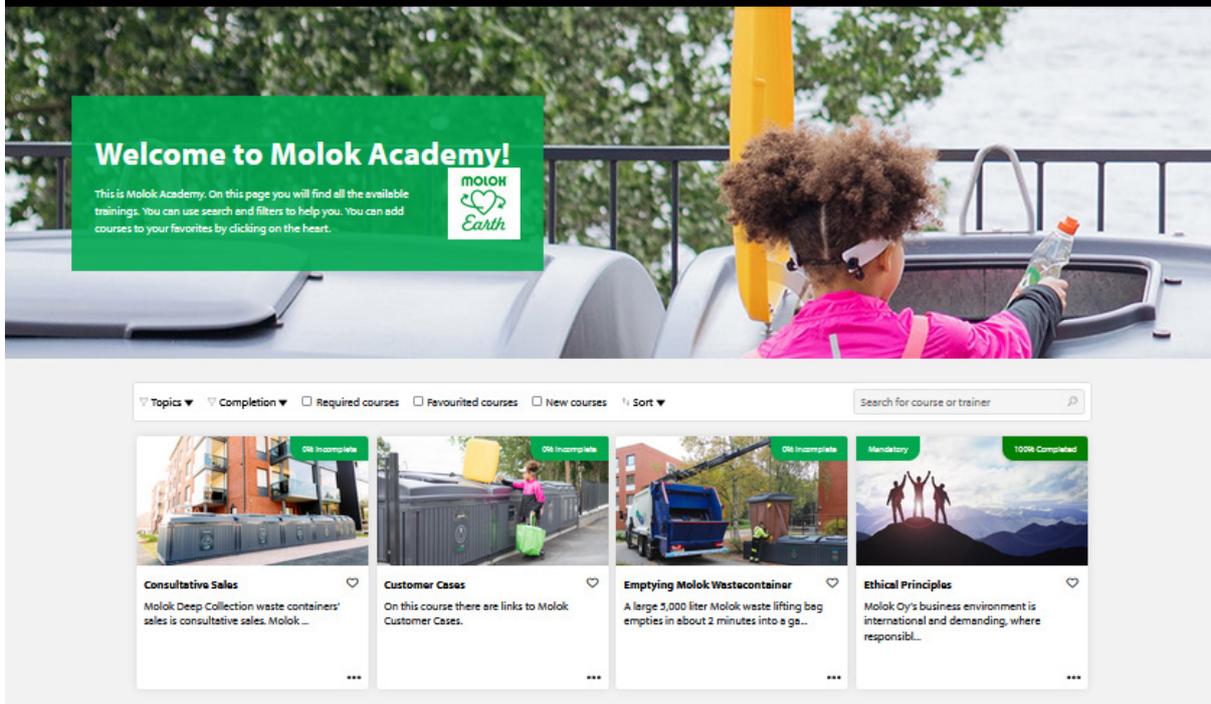
- Training of responsibility culture generally and reflecting of culture to Molok operations

Individual longer term trainings

6 persons in Tampere Adult Education Centre TAKK in working life development programs
2 persons in Aalto University (Sustainability & Data, Analytics and AI)

Personnel satisfaction poll & actions based on results

- results to all employees in total
- discussions in small groups and findings of the subjects to actions > monthly "reporting" what has been done



Screenshot from the Molok Academy education portal.

Molok Academy

Molok Academy is a learning platform for Molok distributors and new & present employees. During the year learning material has extended to include:

- Consultative Sales
- Emptying Molok Wastecontainer
- Ethical Principles
- MolokDomino installation
- Occupational health and safety
- Responsibility

Recreational company events

- In January we had winter recreation day in Ellivuori resort. During the day we had nice fun and the meal was made and served outside.
- In October we had harvest party with a visiting magician and a live band – and naturally lot’s of good local food.

Health & safety

Acts during the report period

Occupational safety and health events

- Safety card training program
- First aid card training (e-learning)
- Safety walk process became established for all permanent staff



Other essential to note

Work safety became a regular discussion among whole Molok. Review of Quality & Safety was held in each monthly personnel meeting. SULO-Group level safety information was distributed in the meetings as well and also via info-screens.

Molok made a decision to recruit a QS-Manager to secure the sufficient resources in this important area.

Measurement of work safety has been complemented and aligned to match SULO-Groups high level standards. The Group develops safety under "Safety – My priority" umbrella.



Development of consecutive accident-free days (longest period of the year):

- Year 2023 110 days
- Year 2022 102 days
- Year 2021 173 days

Indicators of social sustainability

Responsibility of employer

4.02

Previous year: 3.60

2023, scale 1–5

Realization of values

3.75

Previous year: 3.8

2023, scale 1–5

Work safety *

110

2023

* subsequent days without accidents

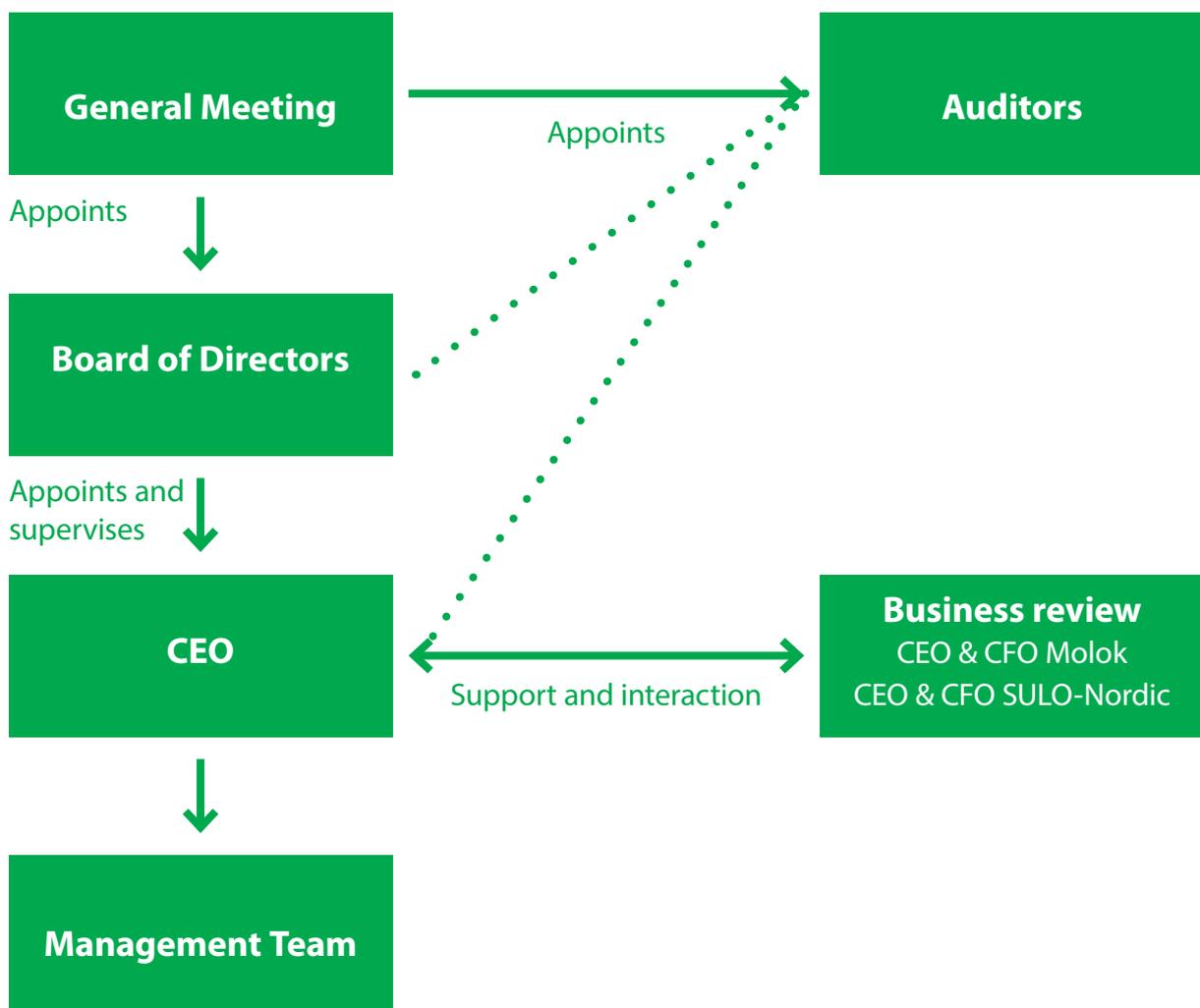
Molok social sustainability indicators.

Governance

Respect for rules and regulations

Molok Oy is committed to good corporate governance by complying with laws and regulations in all its operations and by implementing recommendations for good corporate governance.

The roles of governing bodies are stated in the chart below.



Governing bodies of Molok.

Code of Conduct

Our ethical principles are stated in a printed Code of Conduct brochure.

Information security

Molok has an information security working committee which is in charge of the process and operation to meet the high standards.

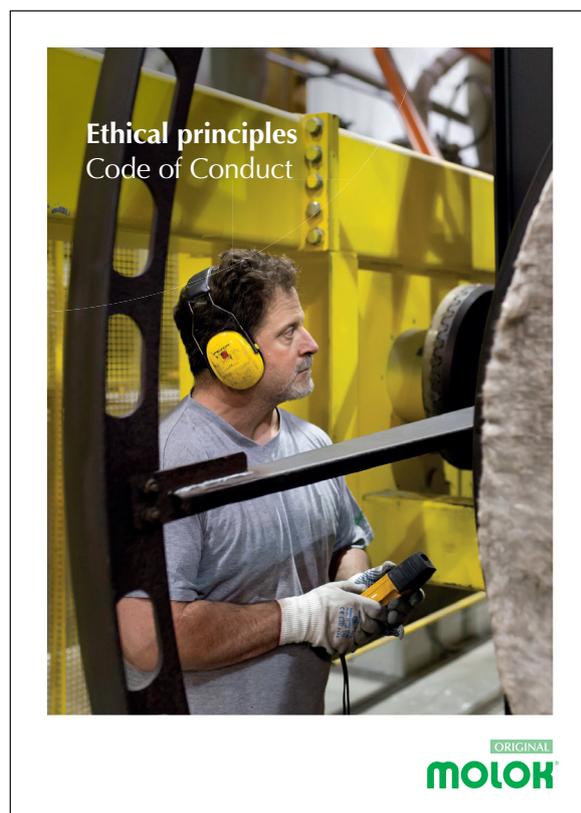
Our personnel has received constant training related to information protection.

Anticorruption

All white collar workers have executed an anticorruption e-learning training of SULO Group.

Other essential

- Whistle blower channel is in use.
- Risk analysis platform has been built related to the sales channel and procurement due diligence operation.



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Earth