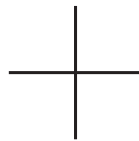


# AWARE ACTIVE



TROAX GROUP AB – SUSTAINABILITY REPORT 2022

**SUSTAINABILITY REPORT**  
THIS REPORT DESCRIBES OUR  
WORK ON SUSTAINABILITY AND  
EXPLAINS HOW WE MANAGE  
OUR SHARED RESOURCES

**WE MAKE YOUR WORLD SAFE**  
WE PROTECT PEOPLE,  
PROPERTY AND PROCESSES.

**TROAX – THE ORIGINAL**  
OUR PRODUCTS ARE BASED ON  
HARD WORK, GOOD IDEAS AND  
VALUES SOFTER THAN STEEL.  
WE HAVE BEEN WORKING ON MAKING  
YOUR WORLD SAFER SINCE 1955.

## **TROAX GROUP AB – SUSTAINABILITY REPORT 2022**

# AWARENESS + HONESTY

**AWARENESS AND HONESTY ARE ROOTED IN BEING PRESENT AND MINDFUL. THE GREATEST CHALLENGE OF OUR TIME ALSO REQUIRES A GREAT DEAL OF HUMILITY. IT HELPS US TO UNDERSTAND OUR IMPACT ON THE WORLD AND PEOPLE AROUND US. AFTER ALL, OUR PURPOSE IS TO KEEP YOU SAFE – ONE WAY OR ANOTHER.**

#### **THE PURSUIT OF THE PERFECT BALANCE**

Awareness and honesty are the pillars of our sustainability work. These character traits support our business every day and in the long run. If we weren't aware of how we affect the planet and the people living on it, it would be impossible for us to make a positive difference. By taking responsibility for our actions and reducing our climate impact, we can contribute to a brighter future. Most of our products are made of steel, which in turn results in unavoidable carbon dioxide emissions. Steel has many benefits and is present everywhere in society, and for that, we're grateful. The key is to find the perfect balance between safety and sustainability. It unlocks a door to even better products. This doesn't happen overnight. It's a never-ending journey, but every small step in the right direction eventually become great leaps towards a safer tomorrow. We don't work with safety for the sake of the environment, we do it for our customers, without compromising the planet. That's also why many people follow in our footsteps.

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# 1 SUSTAINABILITY WITHIN TROAX

## 1.1 INTRODUCTION

**THE GREATEST INSIGHT ONE CAN GAIN REGARDING A FUNCTIONING SUSTAINABILITY EFFORT IS TO REALISE THAT THE ROAD HAS NO END. SUSTAINABILITY ALSO REQUIRES COURAGE, OPENNESS AND HUMILITY IN THE FACE OF THE GREATEST CHALLENGE OF OUR TIME. OUR JOB IS TO KEEP YOU SAFE, WITHOUT COMPROMISING THE SAFETY OF OUR SURROUNDINGS AND THE WORLD AROUND US.**

### **SAFETY MEETS SUSTAINABILITY**

Troax has a duty to keep your world safe. You can rest assured that we are always trying to make life safe, fair and more sustainable for everyone who comes into contact with our products or who is affected by our business. At Troax, we stand behind what we do and are always acquiring new knowledge in line with the times. We are also honest about our progress and how and where we can improve. Our aim for our sustainability efforts is that our products should protect people in factories and other vulnerable environments. In other words, our products are designed to save lives. As a result, Troax does not work towards improving safety primarily for the sake of the environment. We do so for the sake of our customers, without compromising either the environment, working conditions or ethics when it concerns ourselves or our suppliers. The key is to find a balance between safety and sustainability. Our mesh panels must be able to save lives without detriment to the lives of people, animals and nature.

### **PROMISES KEPT**

A steel product, regardless of its field of application, will never be completely environmentally friendly or sustainable. However, there are several environmental and sustainability benefits that come with Troax's products. We make it easy for our customers to make better decisions. Above all, we help our customers understand what they are buying and what it entails. That is one of the many reasons why

Troax is a world leader in mesh panels that protect people, property and processes.

We do not currently see any competitor in the world market that can offer a product that consumes less steel per mesh panel and offers the same level of safety as we do. We know this for certain, as our tests show that Troax's products weigh less than those of any competitor and can withstand the greatest strain.

Our goal is for Troax to create better and safer workplaces through its products and thereby reduce the risk of serious workplace accidents. Our main aim is to ensure that this takes place with as little negative impact on the environment as possible, both from ourselves, but also from our partners in the value chain. We also aim to ensure that our and our partners' operations are conducted under good working conditions and with a high standard of business ethics.

Troax has summarised its sustainability work in a Sustainability Report since 2017 and will also prepare an annual Sustainability Report in the future. This document constitutes the statutory sustainability report of the Troax Group AB for 2022, in accordance with the Swedish Annual Accounts Act. The sustainability report covers all of Troax Group AB's subsidiaries, except Section 3.1 Environmental Sustainability, which primarily covers the Group's production companies.

## 1.2 TROAX'S BUSINESS MODEL AND STRATEGY

# TROAX WORKS TO MAKE YOUR WORLD SAFER BY DEVELOPING INNOVATIVE SAFETY SOLUTIONS THAT PROTECT PEOPLE, PROPERTY AND PROCESSES.

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More specifically, we help our customers ensure that the safety solutions in their factories and warehouses attain a more than acceptable level. We usually help customers with their safety solutions based on their drawings, and we have also developed configuration systems that allow customers to make suggestions for implementations of our safety systems.

For almost 70 years, our high quality, metal-based mesh panel solutions have been designed to meet the needs of protected and safe storage, as well as to serve as machine protection and storage separation. Today, we are the market leader in our industry. Troax is represented in 45 countries worldwide and employs around 1,100 people. Our business concept incorporates three areas in which the focus is on development and quality. Specific objectives have been defined for each area, which correspond to our three business areas:

- » **Machine guarding:** Products and solutions that protect people from machinery and robots in industrial environments, and safeguard automated manufacturing processes from intruders.
- » **Warehouse and industrial partitioning:** A wide range of protection solutions that are used for conventional and automated logistics handling, including storage cages, warehouse partitions and anti-collapse panels for pallet racks.
- » **Property Protection:** Customised mesh panel solutions for cellars, attics and self-storage facilities

Our mission is to exceed our customers' expectations with innovative solutions that protect people, property and processes. Our vision is to be the first choice in innovative safety solutions – and the leading global supplier of mesh panels, with a global presence in all key areas.

In our efforts to make everyday life safer, we follow three core values, both from a long-term perspective and on a daily basis:

- » **Customer focus.** We are responsive, committed and put the customer first to be able to offer the highest quality solutions, products and services.
- » **Respect.** We are dedicated and we care about people. This is why we demonstrate ethical principles, integrity and professionalism in everything we do.
- » **Cooperation.** We always cooperate with current and future customers and suppliers and our colleagues also cooperate with each other.

We base our activities on the above core values and on nine key values, all of which are included in the Troax Code of Conduct.

### 1.3 TROAX'S SUSTAINABILITY MANAGEMENT

Troax's business strategy, business model and sustainability goals for 2020–2030 form the basis of its sustainability management. We set targets that are relevant to addressing the material environment and effectively managing related risks and possibilities. Policies and management systems have been established to ensure economic, environmental and social compliance. Troax is a signatory to and conducts its sustainability work in accordance with the UN Global Compact initiative, which aims to make human rights, fair labour standards, environmental responsibility and anti-corruption core values in the operations of participating companies. Its 10 principles are integrated into the Troax Code of Conduct, the Code of Conduct for suppliers and Troax's ethical guidelines.

The Board of Directors has overarching responsibility for sustainability within Troax; it oversees Troax's sustainability work and is responsible for the sustainability report. Group Management is responsible for designing the company's sustainability strategy

and governing documents, implementing KPIs to monitor the achievement of targets in its operations, and reporting activities and outcomes to the Board of Directors at each board meeting. We evaluate our result every year and set targets and focus measures for the next year.

Sustainability within Troax's operations is informed by the company's Vision, Values and Code of Conduct, supplemented by our governing documents, in which sustainability is an integral part of Troax's strategy. Troax's values define who we are and what we stand for and Troax's Code of Conduct forms the basis for our actions and behaviour. The Code of Conduct and the governing documents at Group level are our most important documents. These governing documents are:

- » **Troax's Code of Conduct**
- » **Troax's Ethical Guidelines**
- » **Whistleblowing Policy**
- » **Information and Insider Policy**
- » **Finance Policy and Financial Guidelines**
- » **Export Control and Sanctions Policy**
- » **Quality and Environmental Policy**
- » **HR Policy**
- » **Equality Policy**

The following governing documents are available for our partners:

- » **Code of Conduct for Troax's Suppliers**
- » **Certification from Troax's distributors that they meet its anti-corruption, export control and sanction requirements**

Troax also has local policies further describing internal rules. These policies are reviewed and updated on a regular basis. The management system and action plans ensure that Troax addresses critical sustainability issues systematically.

The management system for occupational health and safety has been implemented for numerous manufacturing facilities, and all our production facilities within the Group regularly report key performance indicators (KPIs) for incidents and accidents. Troax's environmental efforts are primarily framed by the ISO 14001 environmental management system.

The Code of Conduct is Troax's ethical compass and sets out the guidelines for Troax's conduct towards stakeholders and the market. The Code of Conduct helps us to translate values into action and forms the basis for exercising our ethical, environmental and social corporate responsibility. The Code of Conduct covers factors such as occupational health and safety, the environment, management-employee relations, human rights and business practices. During 2021, via signing a document, all employees in the Group were able to confirm that they know, understand and intend to follow the principles set out in Troax's Code of Conduct.

Troax's global whistleblowing function provides a means for employees to report any violation of the Code of Conduct, and all employees are encouraged to report suspected violations. The Code of Conduct and the Whistleblowing Policy apply to all Troax employees worldwide and are communicated to the employees annually by the local country managers. All new employees within Troax are also familiarised with the Code of Conduct and the Whistleblowing Policy during the induction programme.

### 1.4 SECTORAL AND COMMUNITY ENGAGEMENT

In the locations where Troax operates, the company plays a role in the local community as an employer, tax-payer, and buyer of local goods and services. Troax also supports non-profit causes and has a stake in a local wind farm. In the communities where Troax operates in Sweden, the company sponsors local sports associations, attends college fairs, offers internships to students and supports other associations in which its employees are involved, mainly within sports.

Troax AB, Satech Italy and Troax Lee are certified as per ISO 9001 and 14001, and the Troax Group works actively towards ensuring that all production facilities in the Group have these two certifications within a few years. Troax actively develops and improves the standard of the EU Machinery Directive, which is a CE standard for certifying that a machine meets EU health, safety and environmental requirements, which in turn contributes to increasing safety in the workplace in industrial environments.

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## 2 RATIONALE FOR TROAX'S SUSTAINABILITY GOALS

### 2.1 STAKEHOLDER SURVEY

TROAX HAS MANY DIFFERENT STAKEHOLDERS, WHO ARE VITAL TO PRIORITY-SETTING OF SUSTAINABILITY FACTORS. THE MOST VITAL STAKEHOLDERS ARE THOSE IMPACTED BY TROAX'S BUSINESS AND ACTIVITIES, AND WHICH RECIPROCALLY IMPACT TROAX. A SUMMARY OF OUR MAIN STAKEHOLDERS, AND THE SUSTAINABILITY AREAS THAT ARE IMPORTANT FROM THEIR POINT OF VIEW, IS GIVEN BELOW.

STAKEHOLDER	FORM OF DIALOGUE	IMPORTANT SUSTAINABILITY AREAS
Existing and potential customers	Meetings, interaction via sales companies, customer surveys, website	Product safety, environmental impact, human rights, lifecycle perspective, business ethics, management of the supply chain
Existing and potential employees	Workplace and management meetings, employee surveys, performance reviews, trade unions and other cooperation councils	Safety, human rights, diversity, equality, development opportunities, business ethics, environmental impact
Investors, financiers	Meetings with investors and analysts, annual financial statements and sustainability reporting, websites	Product safety, environmental impact, human rights, lifecycle perspective, business ethics, management of the supply chain
Suppliers	Evaluations and audits of suppliers, award of contracts, meetings	Environmental impact, human rights, business ethics, management of the supply chain
Local Community	Meetings, cooperation/ projects with municipalities, universities and authorities	Environmental impact, human rights, diversity, equality, business ethics

## 2.2 UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS (SDGS)

**TROAX SUPPORTS THE UN'S 2030 AGENDA AND ITS 17 GLOBAL SUSTAINABLE DEVELOPMENT GOALS. FOR US, SUSTAINABLE DEVELOPMENT IS BOTH A RESPONSIBILITY AND AN OPPORTUNITY, AND THAT IS REFLECTED IN TROAX'S STRATEGY. TROAX'S FOCUS AREAS FOR SUSTAINABILITY INCLUDE ALL OUR ESSENTIAL AND PRIORITY SUSTAINABILITY ISSUES. WE HAVE IDENTIFIED HOW TROAX AFFECTS AND CONTRIBUTES TO THE GLOBAL GOALS THROUGH OUR STRATEGY AND BUSINESS, THROUGH THE WAY WE WORK AND OUR OPERATIONS AND INDIRECTLY IN OUR VALUE CHAIN. WE HAVE IDENTIFIED A NUMBER OF AREAS RELATED TO THE UN GLOBAL SUSTAINABILITY GOALS, WHICH ARE PRESENTED IN CHAPTER 3 BELOW.**








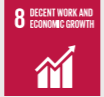

2.3 RISKS AND RISK MANAGEMENT IN THE VALUE CHAIN

STAGE IN THE VALUE CHAIN	TYPE OF RISK	TROAX'S MANAGEMENT OF THE RISKS
Suppliers	Risk that the supplier does not meet requirements for treatment of personnel in accordance with human rights and anti-corruption	Requirements for suppliers' signing of Troax's Code of Conduct containing environmental requirements pertaining to materials and components, social responsibility and ethics.
	Environmental risk	Troax primarily requests recycled steel from steel suppliers and has a stated sustainability goal that by 2030, 80% of all steel used will be either recycled steel or alternative steel  Follow-up of compliance with Troax's Code of Conduct through visits to Troax suppliers.
Product development	Environmental risks	Environmental analysis is included as a mandatory part of all product development, where we are constantly looking for new opportunities to reduce steel consumption when developing new products.
	Product safety risks	Optimised constructions, and the use of high tensile-strength materials in combination with regular tests in our test centre, result in our products having a higher degree of material efficiency and a known tensile strength.
Production/ Employees	Physical working environment risks	Systematic working environment initiatives through, for instance, training, regular inspections, work instructions, protective equipment and ergonomic aids.
	Mental working environment risks	All our direct and indirect employees shall be treated with respect in accordance with basic human values. Troax companies respect employees' right to organise and are open to offering collective agreements to employees where possible. This is described in Troax's Code of Conduct and governing documents.
	Occupational health and safety risks	Reporting/follow-up of incidents and accidents, action plans, training.
	Environmental risks	In the painting process, degreasing is performed in a closed system, and surplus material is destroyed where necessary. Troax has implemented a transition from natural gas to biogas. The company has procedures for managing chemical and general waste, sorting waste and recycling energy from wood and combustible waste. Drinking water samples are taken quarterly from our own well. Residual metal production waste is treated to allow it to be recycled efficiently at smelting works. Our manufacturing facilities in China, Italy, the United Kingdom, Poland and the United States comply with national environmental regulations.  Goals and action plans for achieving energy efficiencies for a continuous reduction of power consumption, e.g. heat recovery of air and hot water from compressors, replacement of light fittings with LED fluorescent lamps, etc. For new investments, such as the construction of the new factory in Italy a few years ago, an evaluation is made as to whether solar cells can be used.

STAGE IN THE VALUE CHAIN	TYPE OF RISK	TROAX'S MANAGEMENT OF THE RISKS
Cont. Production/ Employees	Risk of corruption and bribery	Troax helps fight corruption and bribery through annual information to all employees about Troax's Ethical Guidelines, Code of Conduct and the whistleblower function. This information is also conveyed with the introduction of newly hired employees within Troax.
Logistics	Environmental risk: Negative environmental impact from transportations from production facility to customer	The reduction of greenhouse gas emissions via transportations is achieved by the local production of Troax's products in the USA and Asia.  Requirement for Troax's main carriers to be Euro 6 classified, carbon offset of air transportations.
	Risk of our distributors not meeting Troax's requirements for anti-corruption and/or compliance requirements for export controls and sanctions	Requirement for distributors' signing of Troax's Certification Form for distributors concerning anti-corruption, export controls and sanctions.
Customers	Product safety risks	Product testing in accordance with standards and third-party product certification (TÜV).
	Working environment risks	Troax's products make workplaces around the world safer for our customers' employees and help minimise the number of accidents that occur in industrial operations.
	Environmental risks	In 2023, Troax will make it easier for customers to choose products from an environmental perspective, as its website will compare the relative carbon footprint of a selection of mesh panels and posts on the basis of the difference in the products' weight.
"End-of-life"	Environmental risks	99% of the components in our products are made of recyclable steel.  Troax is actively involved in informing its customers about how they can best ensure that their end-of-life products are recycled.

### 3 TROAX'S FOCUS AREAS FOR SUSTAINABILITY EFFORTS

**BASED ON OUR STAKEHOLDER SURVEYS AND RISK ANALYSES, AND OUR PRIORITY UN SDGS, WE IDENTIFIED THREE PRIORITY FOCUS AREAS FOR OUR SUSTAINABILITY EFFORTS WHICH WE ALSO CONSIDER TO BE OF SIGNIFICANCE FOR OUR STAKEHOLDERS.**

	ENVIRONMENTAL SUSTAINABILITY	SOCIAL SUSTAINABILITY	ECONOMIC SUSTAINABILITY
<b>Troax focus area</b>	<b>Reduced environmental impact</b>	<b>Decent working conditions</b>	<b>A high standard of business ethics</b>
<b>Sustainability aspects</b>	Use of raw materials (steel) Environmental aspects in our production process Environmental aspects in our product development process Environmental aspects in our logistics process Environmental aspects in our sales process	Occupational health, safety and well-being Universal human rights Diversity, equality and equal opportunities Good development opportunities	Integrity in business relations Responsible supply chain including human rights Business ethics and anti-corruption
<b>Supports compliance with UN global sustainability goals</b>	 	 	

We have been addressing sustainability issues for many years and have integrated them as a natural part of our business. This was implemented partly through the introduction of various policies relating to sustainability, and partly by ensuring active sustainability efforts in accordance with ISO 14001. We track our sustainability performance by monitoring attainment of targets set within each area. Our aim is to continue developing our internal sustainability programme, for instance, through continued investment in training and through additional targets that are regularly followed up within the business.

### 3.1 ENVIRONMENTAL SUSTAINABILITY – REDUCED ENVIRONMENTAL IMPACT

#### 3.1.1 TROAX'S ENVIRONMENTAL WORK

Troax has focused on reducing its environmental impact in its business processes for a long time, and working towards a better environment is an important part of the day-to-day work we do. In 2020, steps were taken to identify which processes Troax has the greatest environmental impact in, in order to be able to focus our efforts concerning climate change in these respective areas. Troax continued its environmental work during 2021, focusing on the areas where our operations have the most negative environmental impact. We will describe Troax's sustainability efforts in more detail below, in the areas of consumption of raw materials (steel) and environmental aspects of our production, product development, logistics and sales processes, and will conclude with an analysis carried out in 2021 and 2022 regarding the areas in which Troax's operations in Sweden have the greatest climate impact.

In addition to active efforts to reduce the impact that Troax's value chain has on the climate, Troax is also working with complementary environmental measures, such as co-ownership of the local wind farm and that we carbon-offset transportation by our main freight forwarders leaving our factory in Sweden.

#### 3.1.2 USE OF RAW MATERIALS (STEEL)

Troax's steel products are highly recyclable, with a recycling rate of up to 99 percent. This means that, when our products have reached the end of their life, they can be recycled and turned into new steel products, provided they are recycled correctly. We encourage our customers to recycle steel products and, where possible, to reuse them. To facilitate recycling and make them more energy efficient, all our products are designed to be easy to dismantle, take apart and sort. We endeavour to make recycling as easy and smooth as possible. However, it is important to point out that Troax has control over its own end-of-life recycling process, as there are significant differences between different markets and recycling processes. We work actively to promote sustainable management of our products and encourage responsible recycling and reuse of steel products.

We constantly strive to reduce the amount of steel required to make our products, while maintaining or increasing safety for customers. By using innovative design, technology and material choices in our product development process, we have succeeded in creating products which require less steel per mesh panel than any other competitor on the global market, without compromising safety. We are proud to be able to offer our customers high-quality, safe products and to contribute to reducing the total amount of steel used in production. Our commitment to sustainable development extends to all our operations, from design to production and delivery,

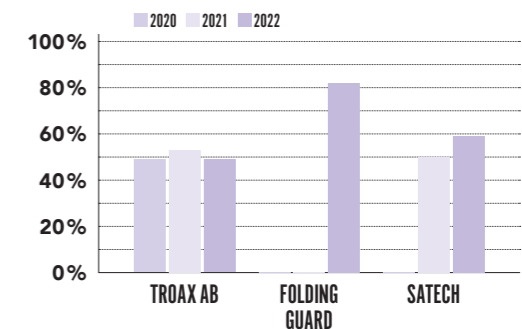
and we continue to work hard to find new ways of reducing our environmental impact without compromising product quality and safety.

Troax's climate calculations (see Section 3.1.6 below) show that steel consumption is the single largest contributing factor to Troax's negative impact on the climate. In the coming years, Troax will therefore continue to focus strongly on our efforts to increase the proportion of recycled steel (or alternative steel) in our manufacturing of mesh panels, with the aim of using 80 percent recycled steel or alternative steel by 2030.

Troax uses different proportions of recycled steel in our factories, depending on the market and availability of supplies. In an ideal world, we would only use recycled steel, but it is not as simple as that in reality. The world market for recycled steel is largely governed by steel mills. The recycling rate of steel is generally high or very high, but all the recycled steel in the world is not enough to meet everyone's needs.

When Russia invaded Ukraine in February 2022, a large proportion of steel disappeared from the European market in an instant, partly as a result of sanctions against Russia and Belarus, and partly because Ukrainian steel works ceased production. In 2022, we focused on securing supplies, and ensuring that the steel we buy does not originate from a country covered by the sanctions. We also continued to talk to our suppliers about sustainability and different types of green steel. The continued shortage of steel in 2022, as in 2021, meant that we were unable to increase the proportion of recycled steel in pipes and wire, as originally planned, and it remained, once again, at around 50 percent. Our aim is to improve this figure for every year that passes, seeing as we are placing a lot of focus on increasing the proportion of recycled steel for our goal of using about 80 percent recycled steel or alternative steel by 2030. In 2022, Troax Shanghai, Satech and Folding Guard also provided information about the proportion of recycled steel they purchased, which is presented in the graph below.

PROPORTION OF PURCHASED RECYCLED STEEL IN PIPES AND WIRE



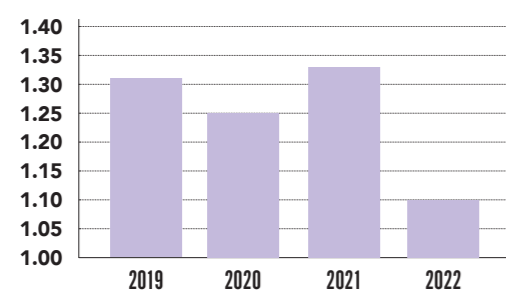
### 3.1.3 AN ENVIRONMENTALLY FRIENDLY PRODUCTION PROCESS

Troax has an environmentally friendly production process and was certified according to the environmental standard ISO 14001 already in 1998. We monitor and measure our environmental performance and we seek to eliminate or reduce pollution, unnecessary materials consumption and emissions to air and discharges to water. Troax works actively towards minimising the use of fossil fuels, and there are no emissions of heavy metals in our production process. Environmentally hazardous waste from our production process consists of contaminated washing water from the painting process, where the outgoing waste water is treated in our own treatment plant. Furthermore, residual products in the form of scrap steel from the cutting of steel, and offcuts from the cutting of pipes and wire, are dealt with by our recycling partners. Our production process can therefore be considered to have very minimal climate-affecting impacts, which is also evident from the climate calculations made in 2021 (see section 3.1.6 on the next page).

Our business activities in Sweden have been notifiable since 2015, and our manufacturing facilities in China, Italy, the UK, Poland and the US comply with national environmental regulations. Until 2018, there was an official requirement to check drinking water and ground water for an increased trichloroethylene level in the ground-water at the Hillerstorp site. Since the requirement ended, we have continued to check the drinking water to ensure that the levels are within the limit values.

For several years, Troax AB has had a goal of reducing energy consumption within its operations by 2 percent per year in relation to the number of kilogrammes of steel that its operations consume. In 2022, we succeeded in reducing our energy consumption per kilogramme by 4.9 percent in comparison with 2021. Since we set the target of reducing energy consumption in 2018, we have reduced energy consumption by an average of 2.5 percent a year. We only failed to reach this target in one year, 2021. An example of energy-saving measures that Troax implemented in 2021 is its continued efforts towards switching to LED lighting in its premises, with the goal in view of 100 percent of its lighting being LED-based. During the year, Troax also maximised opportunities with purification technology in existing evaporators for suitable residual products.

#### ENERGY CONSUMPTION, TROAX AB kWh/kg



Other companies in the Group are preparing data on the measurement of energy consumption in their respective entities, which will be presented in the 2023 sustainability report.

### 3.1.4 ENVIRONMENTAL ASPECTS IN OUR PRODUCT DEVELOPMENT PROCESS

All product development projects carried out for the Troax brand undergo an environmental analysis in order to highlight the environmental aspects in our development of new products. The analysis is mandatory, and the product's environmental considerations are also taken into account in the feasibility study and in the project specification. With the environmental analysis, we carry out a critical review of both materials and construction in accordance with a standardised method, and we also record minutes. In this phase, we also assess production, packaging and logistics. The products that receive a high rating contribute with greater climate benefits, while products with a low rating have the potential for improvement and are flagged for improvement measures where possible. With Troax's products being intended to protect lives, machinery and goods, it is important to find a perfect balance between safety and climate benefits.

There are several good examples where Troax's environmental analysis has resulted in better and more environmentally efficient products. One example of a more sustainable product that has recently been developed is our new 80x80 post, in which the pipe thickness has been reduced from 3 mm to 2 mm, and the base thickness has been reduced, but replaced with high tensile-strength steel. This reduces the consumption of steel and creates higher systemic strength to withstand external forces on the mesh panels. Another example of our development of more sustainable products is our new patented Smart Splice (internal locking when extending the post height) which reduces the need for packaging in connection with transportations. We are currently working on several development projects where we see opportunities to reduce material consumption in our products while maintaining or improving tensile strength. During 2021, our operations in Satech (Italy) and Folding Guard (USA) began with environmental analysis initiatives in their R&D operations, while our latest acquisition, Natom Logistic (Poland), has not yet introduced an environmental analysis in its product development process.

### 3.1.5 ENVIRONMENTAL ASPECTS IN OUR LOGISTICS PROCESS

Troax works actively, and in collaboration with several other companies, towards using means of transportation with as low an environmental impact as possible for shipments from our factories to our customers. Our aim, to the extent possible, is to use the most environmentally friendly vehicles for road transportation, with the goal of eventually having 70 percent of the transportations that take place in Europe being classified Euro 6. With this in mind, we have an active on-going dialogue with our main freight forwarders and follow up on

outcomes with them at regular intervals. In 2021, the goal was achieved of at least 70 percent of road transportation within Europe taking place in alignment with the Euro 6 standard.

In cases where, at the customer's request, we have to fly goods, Troax shall, as far as possible, use air freight forwarders who apply carbon offsetting for their shipments. This also includes courier and express deliveries of packages.

We pack our products standing as far as possible to utilise the trucks' cargo space as efficiently as possible and thereby minimise the need for additional transportations. In addition to our efforts aimed at reducing our climate impact linked to transportations, we also try to reduce the number of transportations by increasing the proportion of Troax's production of products in the US for the North American market and in China for the East and Southeast Asian markets (APAC). During the period 2020–2022, the proportion of local production of Troax's products in both the USA and APAC increased significantly compared with previous years, which meant less transportation from Sweden to these regions.

### 3.1.6 TROAX'S 2022 CLIMATE CALCULATIONS

In 2020, for the first time, Troax performed a mapping and calculation of the climate impact that its operations have, as prescribed by the international Greenhouse Gas Protocol standard, (the GHG Protocol). For the first stage of the mapping task, we chose to concentrate on emissions made by our production facility in Sweden. A corresponding calculation was made for 2021 and 2022. In 2022 several of the other production companies in the Group started reporting environmental KPIs. The aim for 2023 is for all production facilities in the Group to report their environmental impact in accordance with the GHG Protocol and for the Group to set scientifically based climate targets for its entire operation by 2025 at the latest, in line with "Science-Based Targets (SBT)". Troax has chosen an operational control approach and intends to provide a complete picture of the emissions to which our operations in Sweden give rise. The overall result from the climate calculations have been reported in the graph below, where our emissions are reported based on the GHG Protocol's division into three different "scopes".

Scope 1 corresponds to direct emissions of greenhouse gases from our operations, which includes the combustion of diesel and petrol in our own vehicles, as well as leakage of coolants.

Scope 2 corresponds to indirect emissions from purchased electricity, heating and cooling used within our operations. The emissions in Scope 2 are reported in accordance with the GHG Protocol, with both market-based and site-based emissions.

The market-based emissions are based on supplier-specific information, since Troax's aim is to procure 100 percent renewable electricity. The site-based emissions are calculated instead, using an emissions factor based on the Nordic electricity mix.

Scope 3 corresponds to indirect emissions in Troax's value chain. As a first stage of mapping in Scope 3, the focus was on five categories: transportations out (to customers), business trips, waste, commuting to and from the workplace, and the procurement of steel. The result was reported in the number of tonnes of carbon dioxide equivalents (CO<sub>2</sub>e) using GWP100.

The compilation of emission data for the last four years shows that the majority of Troax's emissions originate from Scope 3 and where emissions from Scope 1 and Scope 2 are very low in relation to Scope 3. Below, we have compiled a summary of the last two years' emission data.

EMISSION CATEGORY	TONNES CO <sub>2</sub> e		
	2020	2021	2022
Scope 1	0.35%	0.05%	0.10%
Scope 2	1.00%	0.30%	1.30%
Scope 3 Procurement of materials	93.30%	92.80%	92.30%
Scope 3 Transportation out	4.80%	6.20%	5.30%
Scope 3 Other emissions	0.55%	0.65%	1.00%
Sum of Scope 1 & 2	1.35%	0.35%	1.40%
Sum of Scope 3	98.65%	99.65%	98.60%

An increased use of recycled steel plays a substantial role when it comes to Troax wanting to reduce its impact on the climate. This, combined with continuing efforts during the product development phase to minimise the consumption of steel in the mesh panels without reducing the safety of our solutions, will continue to be two main activities in Troax's future efforts concerning climate change. Troax will also continue actively to seek cooperation with transportation companies that can offer environmentally friendly alternatives.

### 3.1.7 ENVIRONMENTAL ASPECTS IN OUR SALES PROCESS

As can be seen from the climate calculations on the previous page and the text above, the use of steel in our products has by far the most detrimental effect on the environment. We therefore work continuously to maximise our procurement of recycled steel and to minimise steel consumption by developing new products for each particular safety level. In 2023, we began to present the differences between the environmental effects of different types of product, based on the difference in their weight, on our website. We will continue to develop

this in 2023, to enable customers to visit our website and compare the differences in the impact of the various panels on the climate. This will also make it easier for our sales staff to help customers choose products from an environmental perspective.

When we deliver products to our customers we enclose a document asking them to send the mesh panel for recycling when the product is eventually dismantled and giving examples of companies that accept steel for recycling. In one country, Troax is to set up a pilot project to test possibilities for recycling panels at the end of their life.

PRODUCT	CO <sub>2</sub> EMISSIONS (kg)	PRODUCT COMPARISON	DIFFERENCE
Panel ST20 2,050x1,500	19.07	Panel ST20 2,050x1,500 v Panel ST30 2,050x1,500	-15%
Panel ST30 2,050x1,500	22.45	Panel ST30 2,050x1,500 v Panel ST20 2,050x1,500	18%
Post 60x40x2,200	7.12	Post 60x40x2,200 v Post 80x80x2,200	-54%
Post 80x80x2,200	15.40	Post 80x80x2,200 v Post 60x40x2,200	116%

#### SYSTEM COMPARISON

Smart Fix 60x40 v Strong Fix 80x80	-27%
Strong Fix 80x80 v Smart Fix 60x40	37%

### 3.1.8 2022 TAXONOMY REPORTING

The EU's taxonomy regulation (EU 2020/852) came into effect in 2021 and Troax then carried out its first analysis of which economic activities fall within the EU's taxonomy, called taxonomy-eligible. An analysis against the sectors defined in the taxonomy shows that none of Troax's turnover in 2021 or 2022, defined as net turnover recorded in the annual accounts for 2022, is derived from operations defined by the taxonomy regulation as contributing significantly to the green transition. Troax has chosen to set a few parameters for the collection of data on operating and capital expenditure. The parameters and the explanation of the definition of the respective key figures are described in the tables in Section 5.

According to the taxonomy, operating expenditure (OPEX) includes expenditure from assets or processes related to the production of products and the provision of services that ultimately generate the company's turnover. OPEX includes expenditure on product development, renovation of buildings, short-term leasing, repair and maintenance and all other direct costs necessary for the day-to-day servicing of tangible fixed assets. Troax has chosen to exclude expenditure on achieving low-carbon operations or reducing CO<sub>2</sub> emissions, known as stand-alone OPEX, from the taxonomy-eligible and/or aligned OPEX, since the amount is considered insignificant.

According to the taxonomy, capital expenditure (CAPEX) includes all types of investment activated during the year, such as the acquisition of tangible and intangible fixed assets and right-of-use assets, with the exception of leasing, which does not lead to a right of ownership. Goodwill is not included in CAPEX, since it is not defined as an intangible asset under IAS 38. For further information about our accounting principles for investment expenditure, see Note 1 on pages 25–26 of the annual financial statements for 2022. Troax has chosen to set a lower threshold of TEUR 50 for investments in achieving low-carbon operations or reducing CO<sub>2</sub> emissions, known as stand-alone CAPEX, for taxonomy-eligible and/or aligned CAPEX, since the amount below the threshold is considered insignificant. Troax has no investment plans which directly aim to create new taxonomy-aligned activities. Therefore, no eligible or aligned OPEX or CAPEX related to such plans has been accounted for either.

Troax supports the EU's taxonomy initiative and the fundamental idea behind it. Meanwhile, it is important to remember not to equate activities not forming part of the sectors defined in the taxonomy with unsustainable activities. They are not part of the sectors that the EU considers having the greatest impact in the switch to a green economy, but may be just as important and sustainable in the industry in which they exist.

## 3.2 SOCIAL SUSTAINABILITY – GOOD WORKING CONDITIONS

**WE ARE COMMITTED TO BEING AN ATTRACTIVE AND RESPONSIBLE EMPLOYER WITH A DEDICATED WORKFORCE, AND WE ARE CONFIDENT THAT THE COMPANY'S SUCCESS IS FOUNDED ON A STRONG COMPANY CULTURE WITH DIVERSIFIED, CONTINUOUSLY LEARNING AND SKILLED EMPLOYEES. OFFERING DECENT WORKING CONDITIONS TO TROAX EMPLOYEES BECOMES AN IMPORTANT PREREQUISITE WHEN WANTING TO SUCCEED WITH THIS.**

### 3.2.1 OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

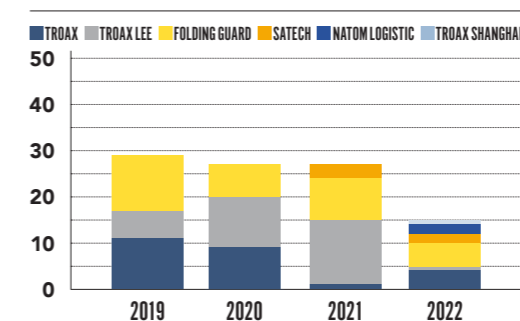
Good health is a fundamental requirement for people to be able to realise their full potential and contribute to the development of society. Troax's companies are committed to providing a healthy and safe working environment, and operate with a zero vision for employee accidents and customer accidents caused by our products. A strong occupational health and safety culture supported by employees who take good care of each other helps us to realise that vision.

Troax's subsidiaries are responsible for ensuring workplace safety in compliance with local regulations, and within the Group's manufacturing companies, monthly reports are compiled of employee statistics covering overtime, sickness absences, incidents and accidents, which are

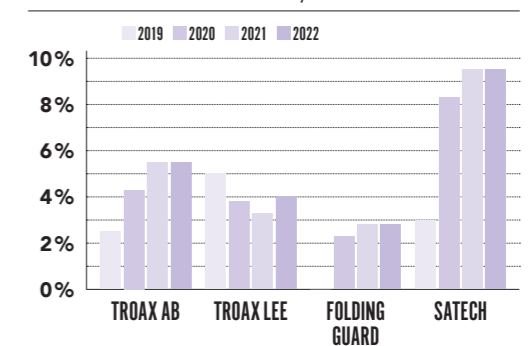
reported to Group Management on a routine basis. Abnormal sick leave, as well as incidents/accidents, are investigated and accidents are reported to the authorities in accordance with applicable legislation. We undertake internal fire safety inspections to prevent damage to property and personal injury, and to maintain a high standard of employee welfare and occupational health and safety.

We noted an increase in sick leave in the period 2020–2022. To a large extent, this can be attributed to the Corona pandemic, partly since employees were not allowed to be at work when having the slightest symptoms of illness, and partly due to the fact that several symptom-free days were required before the employee was allowed to return to the workplace. No other reason for the increase in sick leave during 2022 could be noted.

#### ACCIDENTS REPORTED



#### AVERAGE SICKNESS ABSENCE RATE, TROAX AB



### 3.2.2 UNIVERSAL HUMAN RIGHTS

Our commitment to respecting human rights and decent working conditions is emphasised in our Code of Conduct and in our Code of Conduct for Suppliers in which we express our support for human rights regulations and the UN Guiding Principles on Business and Human Rights for example. To prevent risks regarding human rights, we are committed to compliance with national legislation and international conventions on human rights. Troax's Code of Conduct, supported by our core values, also provides guidance on identifying, preventing and combatting risks related to human rights and decent working conditions. We do not tolerate child labour or any form of forced or penal servitude and we support the rights of the child and the right to education. All our direct and indirect employees shall be treated with respect according to basic human values. Troax supports freedom of association, which means that all employees have a right to join a trade union, if they so wish, and are covered by collective agreements on the markets where this is possible.

### 3.2.3 DIVERSITY AND EQUAL OPPORTUNITIES

Troax's primary goal is for diversity and equal opportunities to be a natural and integral element in all of our activities. As an employer, Troax has a responsibility for ensuring that all employees are treated equally and with respect. This applies to all types of workplaces, levels and also to management and decision-making bodies. An equal opportunities workplace with diversity is conducive to an attractive and dynamic workplace. We strive to promote an inclusive culture where employees enjoy respect and where the workforce reflects society at large. Troax has zero tolerance of all forms of discrimination and harassment, be they based on gender, age, ethnic origin, religion or creed, disability, sexual orientation, social group or other characteristics.

Gender equity is a prerequisite for sustainable development. The Group is committed to achieving no difference in pay between men and women who perform similar jobs. For Troax, diversity means not only a diversified workforce possessing relevant skills, but also an inclusive workplace. The diversity policy is observed in all HR processes, and the company adheres to a strict policy on non-discrimination.

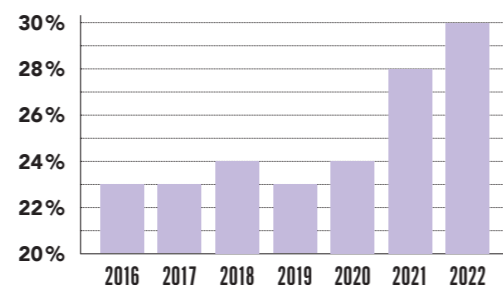
Troax is committed to increasing the number of women in managerial positions and the Board of

### 3.2.4 GOOD PROFESSIONAL DEVELOPMENT OPPORTUNITIES

Troax has a strong company culture and a work ethic informed by our core values of customer focus, respect and cooperation. We offer market-rate wages and employee benefits, a multicultural and inclusive workplace and terms of employment respecting employee needs. Opportunities for career-building and in-service training are crucial in attracting and retaining employees. High-level skills and commitment among employees are core to Troax's company culture. In order to promote competence development and commitment, the company regularly elicits employee feedback

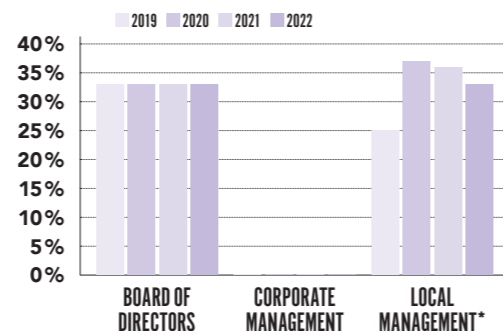
Directors of the parent company promotes gender equality and diversity in its recruitment process for new board members. Like many industrial companies, a predominant proportion of employed personnel are men, but the proportion of women increased from 28 percent in 2021 to 30 percent in 2022. In 2022, a number of women were employed in senior management roles within the Group's sales organisation, and since 2021 we have had the first female head of production at a plant belonging to our Polish operation.

#### PROPORTION OF WOMEN EMPLOYED IN THE TROAX GROUP



When it comes to senior executives, the Board of Directors of Troax Group AB consists of 33 percent women, while the central management group still lacks female representation. Regarding local management groups within Troax, the proportion of female representation decreased from 36 percent in 2021 to 33 percent in 2022.

#### PROPORTION OF WOMEN MANAGERS/EXECUTIVES/DIRECTORS



\* denotes local management teams in the six manufacturing divisions within the Group.

through employee surveys and annual employee performance appraisal sessions. This annual performance appraisal is vital not only in promoting employee development, but also in translating company goals into specific work-related goals for each individual employee.

Most of the Group's companies introduced a process in 2021 which involves a documented employee interview with the manager and employee being held at least once a year. Opportunities for competence development are provided for both workers and management through internal and external training. Troax often recruits internal employees to new

positions, and all vacancies within Troax are also advertised internally if advertised externally.

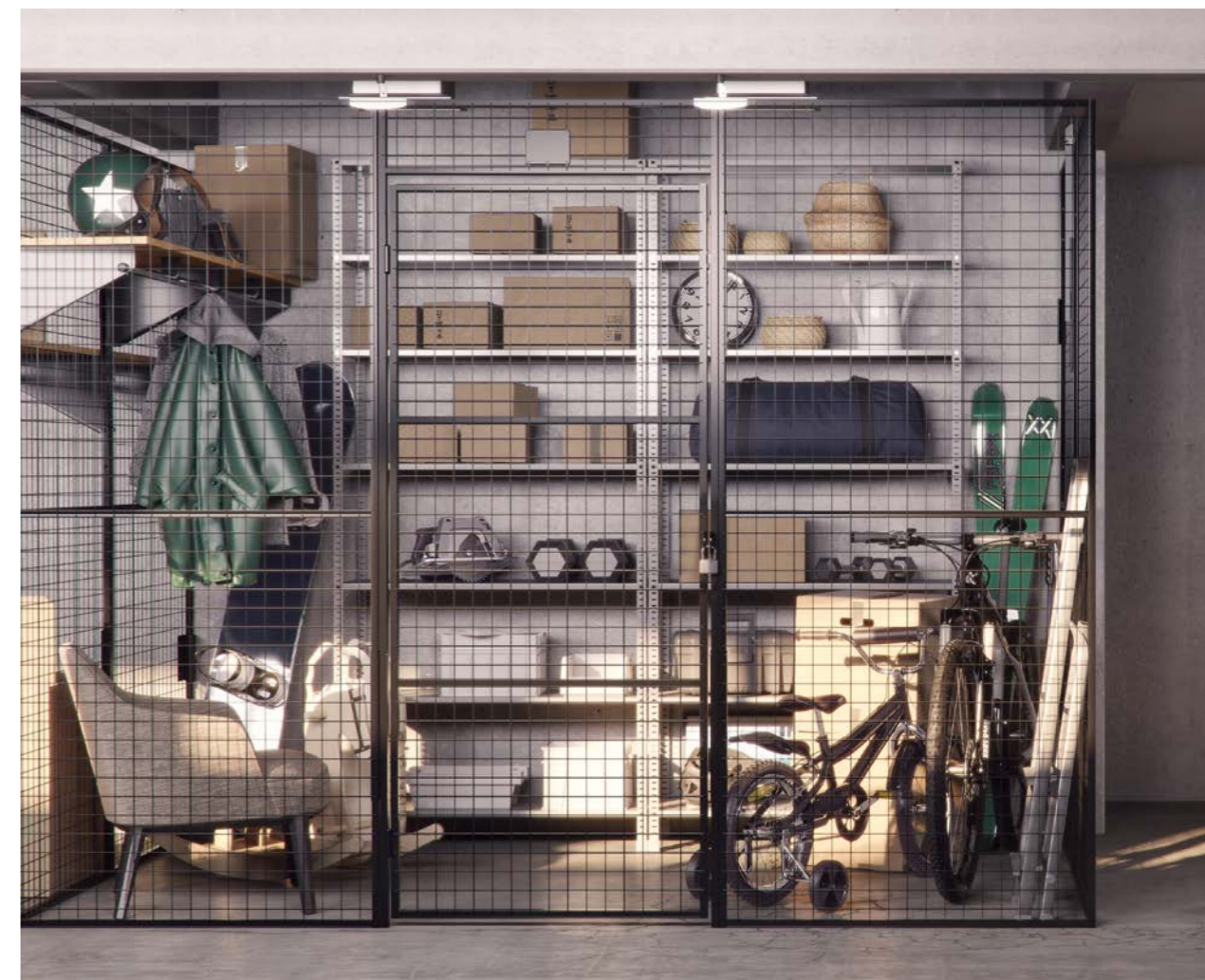
### 3.3 ECONOMIC SUSTAINABILITY – A HIGH STANDARD OF BUSINESS ETHICS

Peaceful societies and freedom from violence are a goal and a means of sustainable development. Inclusive, responsible and fair institutions form the basis for good governance free from conflict, corruption and violence.

Troax's view of business ethics is summarised in the documents Troax's Code of Conduct, Troax's Ethical Guidelines and Troax's Whistleblowing Policy. We base our business on nine central and ethical values. To help our employees, suppliers, business partners and other stakeholders, we have set out our positions and perspectives on these values in Troax's Code of Conduct and Troax's Code of Conduct for Suppliers. In addition to this, we also have a policy for distributors which concerns anti-corruption, export controls and sanctions. All Troax employees are informed about Troax's Ethical Guidelines and about the Whistleblowing Policy on an annual basis

and the provision and review of these documents (as well as of Troax's Code of Conduct) is also a mandatory part of the introduction process for new employees. Troax's Ethical Guidelines and Whistleblowing Policy are available in local languages in countries where the company's employees do not understand English. During 2021, via signing a document, all employees in the Group were able to confirm that they know, understand and intend to follow the principles set out in Troax's Code of Conduct. This document will be signed again in autumn 2023 and this will then be repeated annually.

The Code of Conduct is based on Troax's Ethical Guidelines, as well as our core values: customer focus, respect and cooperation. Our corporate governance rests on foundations such as a business plan, financial governance and environmental and quality work, with Troax's Ethical Guidelines being one of the governing documents decided on by Troax's Board of Directors on an annual basis. It is the responsibility of the management to endorse the values underpinning the Code of Conduct – and to ensure that these are respected and followed.



The Code of Conduct calls for a high standard of business and personal ethics among Troax employees, and covers:

- » **Undue influence:** Troax maintains a zero-tolerance policy on bribery and other forms of corruption. All and any marketing activities/representation shall comply with internal rules, and the business practices and legislation prevailing in the in which markets we operate. Troax tolerates no attempt to exert undue influence by existing or potential business partners, customers and other stakeholders. Undue influence shall be exerted over neither Troax employees nor contractors and agents operating on behalf of Troax. No employees or contractors or agents shall accept, consent to a promise of, or request, any form of benefit (kick-back) that might be construed as an anti-corruption violation. Similarly, employees and contractors or agents acting on behalf of Troax shall not commit any act that might be construed as an attempt to unduly influence the decisions of others.
- » **Conflicts of interest:** Troax's decisions shall not be influenced by personal interests such as private economic interests, familial or friendship interests or other vested interests of no relevance to Troax's corporate interests. In case of any risk of a conflict of interest for an employee, the immediate superior shall be informed and appropriate measures shall be taken to eliminate that conflict.
- » **Competition:** Effective competition on equal terms is an important element of a healthy economy. Competition drives the development of business and industry operators, which benefits customers and society at large. This means that we shall not conduct any activities that inhibit free competition.

Employees shall carry out their work with a high level of business morals and ethical conduct, in accordance with Troax's Code of Conduct. The term 'employee' also denotes associates such as Troax representatives. Everyone is therefore expected to act with honesty, integrity and in accordance with applicable legislation. If an issue relating to business ethics arises in one of the Group's companies, a system is in place for how to report these issues – either directly to the Group management or to a member of the board. The practical procedures for reporting such issues are set out in the Whistleblowing Policy. In 2023, employees and external parties who witness a breach of the Code of Conduct, legislation or our policies, will be able to report it anonymously via the digital and anonymous whistleblower system, which will be implemented during the course of the year. An external independent party will investigate the matter, and the reports, investigations and measures will be included in the reporting to the Board of Directors. No whistleblowing matters were reported in 2022.

Troax also has a policy in place regarding export controls and sanctions in view of Troax's operations being able to comply with the sanction rules that have primarily been implemented by the UN, EU and USA. Troax pays taxes in accordance with local tax legislation in all countries in which the Group has companies and every company pays income tax on the basis of the reported earnings from operating activities. No legal structures have been created to optimise the Group's tax costs. We value our excellent reputation, which should apply to all our divisions and companies, both internally and externally. It is important for employees to understand how their actions both within and outside the business reflect on Troax. Our employees shall therefore be personally liable for their personal statements and opinions.

**PROCESSES IMPLEMENTED FOR PROMOTING A HIGH STANDARD OF BUSINESS ETHICS**

	2020	2021	2022
Whistleblower function covering all Group companies	✓	✓	✓
During the year, Troax's Code of conduct and Whistleblowing Policy were communicated to all employees in the Group	✓	✓	✓
Information about Troax's Code of Conduct and Whistleblowing Policy is given to all new employees in connection with their introduction	✓	✓	✓
Troax's Code of Conduct and Whistleblowing Policy is translated into the local language in the countries in which employees cannot read English	✓	✓	✓
Number of cases reported via the whistleblower system	1	1	0



**3.4 SUSTAINABILITY IN THE SUPPLIER AND DISTRIBUTOR CHAIN**

Troax strives to use sustainable procurement methods, which minimise the detrimental effects on society and the environment, improve our suppliers' sustainability performance and create value for the business, our customers and society as a whole. It is important for us to cooperate with suppliers who understand and adhere to our sustainability standards in areas such as the environment, working conditions, human rights and business ethics. The principles contained in the UN Global Compact and those mentioned in the introductory sections of this report have also been integrated into Troax's Code of Conduct for Suppliers, a document that was implemented in 2020, in which Troax demands the supplier's acceptance of our terms and conditions by their signing of our Code of Conduct. The goal is to get all suppliers who deliver materials to one of Troax's production facilities to sign Troax's Code of Conduct for Suppliers within the relatively near future.

All main suppliers of materials to Troax AB (Sweden), Troax Shanghai (China) and Satech Safety Technology Spa (Italy) have signed the Code of Conduct for suppliers. Around 20 percent of the main suppliers

of Folding Guard and Troax Lee have signed the Code of Conduct, while the work has still not begun for Natom Logistic. We will continue to work on the Code of Conduct for suppliers in 2023, with the aim of ensuring that all of the Group's production companies have obtained signatures from their respective main suppliers. A review and request for signature of the Code of Conduct will be carried out in accordance with our process every other year to ensure that the matter is kept up to date.

In 2022, Troax AB audited its main suppliers to begin its work on ensuring quality and compliance as far as possible. The work will continue in 2023. A roll-out plan and related activities for the implementation and updating of the supplier's code for the Group's remaining production facilities in China, Poland, England, Italy and the USA are being prepared, and implementation for these companies will commence in 2023.

Troax established and distributed a certification document for its distributors, which it received back from them, signed, in 2022, in which they certify, by their signatures, that they adhere to Troax Group's policy for distributors regarding anti-corruption, export controls and sanctions.

## 4 OUTCOMES AND GOALS REGARDING TROAX'S SUSTAINABILITY INITIATIVES

The aim of Troax's sustainability efforts is to create value for our stakeholders. By continuously improving our sustainability efforts, we aim to minimise risks to Troax, to develop and enhance the company's offers to customers, identify new, future business opportunities and, in so doing, reinforce its financial strength. An important element in this commitment is to transparently report on Troax's performance with respect to key sustainability factors. We seek to realise, and report on, our performance within the previously stated focus areas:

1. Reduced environmental impact
2. Decent working conditions
3. A high standard of business ethics

All three of the above focus areas will also apply to Troax's main suppliers.

Troax's sustainability efforts has focused on carrying out activities with the mind to achieve several goals, which goals are presented in the table below. In 2022 several of the other production companies in the

Group started reporting environmental KPIs. The aim for 2023 is for all production facilities in the Group to report their environmental impact in accordance with the GHG Protocol and for the Group to set scientifically based climate targets for its entire operation by 2025 at the latest, in line with "Science-Based Targets (SBT)".

All producing companies within the Troax Group currently perform activities aimed at improving impacts on the environment and report on KPIs within the environmental sphere. There is a special working group which continuously reports our development of sustainability efforts to Group management. Troax is part of the circular economy, but we cannot ensure that the circle closes. Our products are adapted for long-term use, so that when they are no longer used, they can be recycled. At present, we cannot control what our customers do with their used products, but we urge everyone to get the steel to circulate back to become new products. Seeing as our products last a long time and can withstand tough requirements, they can also be reused, provided that they are not damaged.

SUSTAINABILITY FACTOR	GOALS 2020-2030	2021	2022
Reduced environmental impact – energy consumption	Troax will annually reduce its energy consumption by 2% at the three largest manufacturing facilities measured in kWh/kg produced	Troax AB: 1.33 kWh/kg	Troax AB: 1.10 kWh/kg
Reduced environmental impact – transportations out	70% of all road transportation by Troax's main freight forwarders shall be in accordance with the Euro 6 emissions standard  100% of all air transport by Troax's main freight forwarders shall be carbon-offset	67% for transportation from Sweden  100%	75% for transportation from Sweden  100%
Reduced environmental impact – product development	All product development within the Group shall comprise an environmental impact analysis.	Troax AB: 100% Satech and Folding Guard: Environmental analysis work has begun	Troax AB: 100% Satech and Folding Guard: Environmental analysis work has begun Natom Logistic: Environmental analysis work has still not begun
Reduced environmental impact – use of steel	80% of Troax AB's steel consumption by 2030 shall come from either recycled steel or alternative steel.  Other production facilities will be targeted in connection with the implementation of the GHG Protocol work.	<i>Proportion of recycled steel</i> Troax AB: 51%	<i>Proportion of recycled steel</i> Troax AB: 49% Satech: 59% Folding Guard: 82%  Other production facilities: Collection of data from suppliers has begun

SUSTAINABILITY FACTOR	GOALS 2020-2030	2021	2022
Reduced environmental impact / Good working conditions / A high standard of business ethics	All Troax's priority suppliers shall sign Troax's Code of Conduct for Suppliers	Troax AB: 100% of A-suppliers Troax Shanghai: 100% Satech: 80% of the purchase volume Folding Guard: The work has begun Troax Lee: The work has begun Natom Logistic: The work has not begun	Troax AB: 100% Troax Shanghai: 100% Satech: 100% Folding Guard: 20% Troax Lee: 20% Natom Logistic: The work has not begun
Decent working conditions – minimise the number of accidents	Troax shall employ preventive measures to reduce the number of industrial accidents across the Group	Troax AB: 0 pcs Folding Guard: 9 pcs Troax Lee: 14 pcs Satech: 3 pcs	Troax AB: 14 pcs Folding Guard: 8 pcs Troax Lee: 1 pc Satech: 2 pcs Troax Shanghai: 1 pc Natom Logistic: 2 pcs
Decent working conditions – a more even gender distribution	In its recruitment of senior decision-makers, Troax will pursue a goal of achieving a more equal gender distribution	<i>Proportion of women</i> Board of Directors: 33% Corporate Management: 0% Local management groups (6 companies): 36% women	<i>Proportion of women</i> Board of Directors: 33% Corporate Management: 0% Local management groups (6 companies): 33% women
Good working conditions – liaison unit	Manufacturing companies with more than 20 employees shall have a liaison unit, and all companies shall have procedures in place for pay reviews and recruitment to ensure that equal opportunities policy is observed in those procedures.	Process implemented for Troax AB	Process implemented for Troax AB
Decent working conditions – annual performance reviews	100% of Troax employees shall at least annually have a documented employee performance review with their immediate superior	Most of the companies in the Group have a process in place for documenting annual performance reviews	Troax AB: 100% Folding Guard and Troax Shanghai: Employees 100% Troax Lee: 10% Satech: 10% Natom Logistic: The work will begin in 2023  In other groups, the majority of companies have carried out performance reviews with 100% of their employees
A high standard of business ethics – information	100% of Troax's employees shall be informed about Troax's Code of Conduct, Ethical Guidelines and Whistleblowing Policy on an annual basis	100%	100%
A high standard of business ethics – training	100% of all employees with continuous contact with customers and suppliers shall have undergone training on business ethics issues	Training has not begun	Training has not begun

# 5 TAXONOMY TABLES

## TURNOVER TAXONOMY

ECONOMIC ACTIVITIES (1)	Code/codes (2)	Absolute turnover (3) SEK million	Proportion of turnover (4) %	CRITERIA FOR SUBSTANTIAL CONTRIBUTION										CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)										Minimum safeguards (17)	Taxonomy-aligned proportion of turnover (2022) (18) %	Category (enabling activities) (20)	Category (transitional activities) (21) T
				Circular economy (8)	Water and marine resources (7)	Climate change adaptation (6)	Climate change mitigation (5)	Pollution (9)	Biodiversity and ecosystems (10)	Circular economy (14)	Water and marine resources (13)	Climate change adaptation (12)	Climate change mitigation (11)	Pollution (15)	Biodiversity and ecosystems (16)												
<b>A. OPERATIONS COVERED BY THE TAXONOMY</b>																											
<b>A.1. Environmentally sustainable operations (taxonomy-aligned)</b>																											
Total (A.1)		0	0%	0%																0%							
<b>A.2. Operations covered by the taxonomy, which are not environmentally sustainable (not taxonomy-aligned)</b>																											
Total (A.2)		0	0%																								
Total (A.1 + A.2)		0	0%																	0%							
<b>B. OPERATIONS NOT COVERED BY THE TAXONOMY</b>																											
Turnover of operations not covered by the taxonomy (B)		284,081	100%																								
Total (A + B)		284,081	100%																								

## OPEX TAXONOMY

ECONOMIC ACTIVITIES (1)	Code/codes (2)	Absolute operating expenditure (3) SEK million	Proportion of operating expenditure (4) %	CRITERIA FOR SUBSTANTIAL CONTRIBUTION										CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)										Minimum safeguards (17)	Taxonomy-aligned proportion of OPEX (2022) (18) %	Category (enabling activities) (20)	Category (transitional activities) (21) T
				Circular economy (8)	Water and marine resources (7)	Climate change adaptation (6)	Climate change mitigation (5)	Pollution (9)	Biodiversity and ecosystems (10)	Circular economy (14)	Water and marine resources (13)	Climate change adaptation (12)	Climate change mitigation (11)	Pollution (15)	Biodiversity and ecosystems (16)												
<b>A. OPERATIONS COVERED BY THE TAXONOMY</b>																											
<b>A.1. Environmentally sustainable operations (taxonomy-aligned)</b>																											
Total (A.1)		0	0%	0%																0%							
<b>A.2. Operations covered by the taxonomy, which are not environmentally sustainable (not taxonomy-aligned)</b>																											
Total (A.2)		0	0%																								
Total (A.1 + A.2)		0	0%																	0%							
<b>B. OPERATIONS NOT COVERED BY THE TAXONOMY</b>																											
Operating expenditure of operations not covered by the taxonomy (B)		7,737	100%																								
Total (A + B)		7,737	100%																								

## CAPEX TAXONOMY

ECONOMIC ACTIVITIES (1)	Code/codes (2)	Absolute capital expenditure (3) SEK million	Proportion of capital expenditure (4) %	CRITERIA FOR SUBSTANTIAL CONTRIBUTION										CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)										Minimum safeguards (17)	Taxonomy-aligned proportion of Capex (2022) (18) %	Category (enabling activities) (20)	Category (transitional activities) (21) T
				Circular economy (8)	Water and marine resources (7)	Climate change adaptation (6)	Climate change mitigation (5)	Pollution (9)	Biodiversity and ecosystems (10)	Circular economy (14)	Water and marine resources (13)	Climate change adaptation (12)	Climate change mitigation (11)	Pollution (15)	Biodiversity and ecosystems (16)												
<b>A. OPERATIONS COVERED BY THE TAXONOMY</b>																											
<b>A.1. Environmentally sustainable operations (taxonomy-aligned)</b>																											
Total (A.1)		0	0%	0%																0%							
<b>A.2. Operations covered by the taxonomy, which are not environmentally sustainable (not taxonomy-aligned)</b>																											
Total (A.2)		0	0%																								
Total (A.1 + A.2)		0	0%																	0%							
<b>B. OPERATIONS NOT COVERED BY THE TAXONOMY</b>																											
Capital expenditure of operations not covered by the taxonomy (B)		19,051	100%																								
Total (A + B)		19,051	100%																								





## HILLERSTORP 24 MARCH 2023

**FREDRIK HANSSON**  
*Board Member*

**EVA NYGREN**  
*Board Member*

**THOMAS WIDSTRAND**  
*CEO*

**ANNA STÅLENBRING**  
*Board Member*

**ANDERS MÖRCK**  
*Chair*

**BERTIL PERSSON**  
*Board Member*

**STEFAN LUNDGREN**  
*Employee Representative*

Our statements regarding the statutory sustainability report were issued on 24 March 2023.  
*Örlings PricewaterhouseCoopers AB*

**JOHAN PALMGREN**  
*Authorised Public Accountant*

## AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

*To the Annual General Meeting of Troax Group AB (publ), corp. ID no. 556916-4030*

### DUTIES AND RESPONSIBILITIES

The Board of Directors was responsible for the Sustainability Report for the 2022 financial year and for ensuring that it was prepared in accordance with the Swedish Annual Accounts Act.

### FOCUS AND SCOPE OF THE AUDIT

Our review was carried out in accordance with FAR's recommendation RevR 12 *Auditor's review of the Statutory Sustainability Report*. This means that our review of the Sustainability Report has a different focus and is significantly lesser in scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides sufficient basis for our opinion.

### OPINION

A Sustainability Report was prepared.

Gothenburg, Sweden, 24 March 2023  
*Örlings PricewaterhouseCoopers AB*

**JOHAN PALMGREN**  
*Authorised Public Accountant*



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world safe.**

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