

COMING TOGETHER

Caring for a safer tomorrow

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 2024

CARING FOR A SAFER TOMORROW

WE'RE HERE TO MAKE EVERYDAY LIFE SAFER AND MORE PREDICTABLE. BY MINIMISING RISKS AND ENSURING OUR SOLUTIONS PERFORM CONSISTENTLY, DAY AFTER DAY, WE CREATE SOMETHING LASTING — A BALANCE THAT CONSIDERS BOTH PEOPLE AND THE ENVIRONMENT. THAT'S WHAT WE CARE ABOUT.

THE PERFECT BALANCE

At Troax Group, balance is key. It is our job to protect our customers, but we must also protect our environment. Sustainability and safety go hand in hand. Steel plays a fundamental role in many of our products, and while we appreciate its value to society, we also recognise its environmental impact. Acknowledging this balance empowers us to take meaningful action, both as individual companies and as a corporate group. That's why we're committed to better practices, from responsible material sourcing to enhancing energy efficiency in production. Ultimately, the perfect balance means protecting people, property, and processes while upholding environmental and ethical standards and fair working conditions. That's how we create a safer tomorrow — together.

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1 SUSTAINABILITY WITHIN TROAX

1.1 INTRODUCTION

AT TROAX GROUP, WE HAVE A PROUD TRADITION OF DEVELOPING SAFE, INNOVATIVE AND SUSTAINABLE SOLUTIONS FOR INDUSTRY, WAREHOUSING AND LOGISTICS.

We see our responsibility as broader than just delivering robust protection systems. We also aim to make a positive difference to people and communities where we operate. In this report, we show how our sustainability work is an integral part of our business strategy and how we create value for our customers, investors and all our stakeholders.

Protecting people, processes and property is at the heart of our business. Every facility, product and solution bearing our brands should represent high quality and safety. At the same time, we believe that our sustainability efforts should be as thoughtful and robust as our protection systems. Over the past year, we have therefore intensified our efforts to map, measure and improve our processes, with a particular focus on reducing our climate impact and strengthening our social responsibility.

The main focus areas for 2024 have been to ensure that sustainability work is aligned with international standards and our stakeholders' expectations. A significant step was taken in November 2024 when Troax Group joined the Science Based Targets initiative (SBTi), which means that our climate targets will soon be science-based. At the same time, to strengthen transparency and data quality, we are adapting our emissions reporting under the GHG Protocol. In addition, we have continued our extensive preparations for the new EU regulatory framework for sustainability reporting (CSRD). This includes the completion of our value chain analysis, stakeholder mapping and dual materiality analysis – crucial steps to identify necessary actions and ensure we meet the new requirements. The results of these efforts will be reported in detail in next year's sustainability report.

This report is based on a close dialogue with our stakeholders. Our materiality analysis shows that it is crucial to prioritise areas related to environmental impact, resource efficiency, ethical conduct and healthy working conditions, as well as to safeguard the safety of both employees and customers. By continuously improving our processes, we both strengthen our competitiveness and contribute to sustainable development.

We are working systematically to develop our measurement, reporting and target-setting practices. The aim is to give you, the reader, a clear picture of our progress and the challenges we face. At the same time, we are preparing for upcoming regulatory changes, such as the EU taxonomy, CSRD, CSDDD, which we see as opportunities to further strengthen our internal governance. Our ambition is to be a role model in the industry through transparent and reliable reporting, so that customers, investors and other stakeholders can have full confidence in us.

At Troax Group, safety, environmental concerns and social responsibility are combined in a common ambition to find the right balance between our key sustainability issues. Together, we are creating a future where safety and responsibility go hand in hand.

Troax Group has published a sustainability report annually since 2017 and will continue this tradition. This report constitutes our statutory sustainability report for 2024 under the Annual Accounts Act. We look forward to continuing to report annually and to creating a future where safety and sustainability go hand in hand.

1.2 TROAX'S BUSINESS MODEL AND STRATEGY

TROAX GROUP IS COMMITTED TO MAKING YOUR WORLD SAFER BY DEVELOPING INNOVATIVE AND QUALITY SECURITY SOLUTIONS FOR PEOPLE, PROPERTY AND PROCESSES.

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We work with our customers to ensure that their facilities meet high standards of safety and functionality. Most often this is done in close collaboration where we develop customised systems based on customers' drawings and unique conditions. We also offer user-friendly configuration tools, so that customers can quickly create their own proposals for implementing our products.

For 70 years, we've focused on providing metal-based mesh panel solutions that create safer storage, effective machine protection and clear separation in warehouses. This long-standing commitment to quality and safety has helped us become a leader in the industry. Today, we are represented in 42 countries and employ around 1,200 people. Our mission is to create safer indoor environments for both industrial processes and the people who work there. Through our leading innovation and high level of customer service, we have been working with world-leading customers in the automotive, warehousing and construction industries, among others, for years. Our protection solutions can be found in manufacturing industries in robotic cells and automation solutions, in automated warehouses with collapse protection, shelving, partitioning and compartmentalisation walls, sensor-based monitoring for accident reduction, and storage rooms for storage.

We focus mainly on five industry verticals.

- » **Automotive industry**
- » **Warehouse industry**
- » **Construction and civil engineering**
- » **Process industry**
- » **Other general industry**

This breadth and our global presence allow us to meet various security needs while remaining resilient through different economic cycles. Our mission is to exceed customer expectations with innovative solutions that protect people, property

and processes. Our vision is to be the number one choice in security solutions and the world's leading supplier of mesh panels, with a strong presence in all key markets. To achieve this, we base our long-term plans and day-to-day activities on three core values:

- » **Customer focus.** We are responsive, committed and customer-centric in order to provide the highest quality solutions, products and services.
- » **Respect.** We care about people and act with ethics, integrity and professionalism in all aspects of our business.
- » **Cooperation.** We always cooperate, both among colleagues, and with current and future customers and suppliers.

These core values, together with our nine core values, form the basis of the Troax Code of Conduct and permeate our entire business.

1.3 SUSTAINABILITY MANAGEMENT AT TROAX

Troax Group's business strategy, business model and sustainability goals for 2020–2030 form the backbone of our sustainability management. Our goals are carefully selected to effectively address the most significant sustainability issues and the risks and opportunities that these entail. Policies and management systems have been established to ensure economic, environmental and social compliance. As a signatory to the UN Global Compact, Troax is committed to integrating and promoting human rights, fair labour standards, environmental responsibility and anti-corruption in all of our activities. The UN's ten principles are integrated into the Troax Code of Conduct, the Code of Conduct for Suppliers and the Troax Code of Ethics.

The Board of Directors has the overall responsibility for sustainability within the Troax Group and monitors the sustainability work and is responsible for the sustainability report. Group Management is

responsible for designing the company's sustainability strategy and policies, 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 results every year and set targets and dedicated initiatives for the next year.

Sustainability management at Troax is based on our vision, values and code of conduct. In addition, we have several complementary policies that integrate sustainability into our overall strategy. Our values define our identity and are at the heart of how we act. The Troax Code of Conduct forms the basis for our behavior and is complemented by governing documents at Group level, which include:

- » **Troax Group Code of Conduct**
- » **Troax Ethical Guidelines**
- » **Whistleblower Policy**
- » **Anti-Corruption Policy**
- » **Environmental policy**
- » **Quality policy**
- » **Health and safety policy**
- » **HR Policy**
- » **Procurement policy**
- » **Information and Insider Policy**
- » **Finance Policy and Financial Guidelines**
- » **Equality Policy**
- » **Export Control and Sanctions Policy**

The following policies apply to our suppliers:

- » **Code of Conduct for Troax Group suppliers**
- » **Certification from Troax Group's distributors that they meet anti-corruption, export control and sanctions requirements**

Troax Group reinforces its commitment to sustainability through local governance documents that specify internal rules for each company. We use management systems and action plans in order to address critical sustainability issues in a structured manner.

At Troax Group, we are committed to ensuring high quality, minimising our environmental impact and creating a safe working environment. As part of our sustainability efforts, we are actively working to have all our production facilities certified to international standards. The aim is for all units to achieve ISO 9001 (quality) and ISO 14001 (environment) certification in the coming years. Several of our sites have already been certified, while others are in the process of being certified.

In addition, we aim to implement ISO 45001 throughout our operations to ensure a safe and healthy working environment. We continuously monitor the work environment by measuring and reporting key figures linked to work-related incidents and accidents at all production facilities.

| | QUALITY ISO 9001 | ENVIRON- MENT ISO 14001 | WORK ENVIRON- MENT ISO 45001 |
|----------------------|---------------------|-------------------------------|---------------------------------------|
| Sweden (Hillerstorp) | X | X | Plan 2025 |
| Sweden (Värnamo) | X | X | X |
| Italy | X | X | X |
| UK | X | X | X |
| Poland | X | | |
| USA | X | | |
| China | X | | |

Through systematic and long-term improvement work, we create the conditions for sustainable growth, where quality, environmental responsibility and safety are in focus.

Our Code of Conduct serves as an ethical compass for Troax, providing guidelines for our behavior towards stakeholders and the market. This code is essential to transforming our values into action and forms the basis of our ethical, environmental and social responsibilities. It covers areas such as health and safety, the environment, employment conditions, human rights and business practices.

The Troax global whistleblower function enables all employees to report any breaches of our Code of Conduct. This Code of Conduct and Whistleblower Policy apply to all of our employees globally and are communicated annually to ensure broad understanding and compliance. All new employees at Troax are also familiarised with the Code of Conduct and the Whistleblower Policy during their on-boarding.

1.4 INDUSTRY AND COMMUNITY ENGAGEMENT

In those areas where Troax operates, we play an important 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. Our support for the local community often includes sponsoring local sports clubs, participating in school fairs, offering internships to students, as well as supporting associations where our employees are active, especially in the sports sector.

At the industry level, Troax is committed to developing and improving standards that increase safety in the workplace in a number of different industrial sectors. An example of this is our work on the Machinery Directive, which aims to ensure that machinery complies with EU health, safety and environmental requirements. Our commitment to these issues contributes significantly to increasing safety in the industry.

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1.5. INTERNATIONAL COOPERATIONS AND INITIATIVES

Troax Group operates in a global context and has therefore chosen to actively participate in several international sustainability initiatives and frameworks. These partnerships help us to ensure responsible business practices and provide valuable guidance in our daily work to strengthen transparency and continuously improve sustainability performance.

» UN Global Compact

The Troax Group is a signatory to the UN Global Compact and is committed to integrating its ten principles on human rights, labor, environmental responsibility and anti-corruption into all our activities. These principles are also the basis of our own Code of Conduct and our Supplier Code of Conduct, and form an important part of our risk management work and internal governance documents.

» Science Based Targets initiative (SBTi)

In 2024, Troax Group has committed to setting near-term science-based targets in accordance with the Science Based Targets initiative (SBTi), which means that our climate targets will be in line with the global goal of limiting global warming to 1.5°C. Through this accession, we are strengthening our commitment to accelerate emission reductions and contribute to a long-term sustainable future.

» EcoVadis

To communicate, evaluate and improve our sustainability performance, we use EcoVadis. EcoVadis provides us with an objective assessment of our sustainability performance, helping us to benchmark our progress against industry standards and identify areas for further development. This independent review is also an important tool in our dialogue with customers and suppliers.

» Carbon Disclosure Project (CDP)

Seeing the need for increased transparency on climate-related risks and opportunities, we have started preparing for reporting to the CDP. By reporting data on, among other things, carbon emissions, energy consumption and climate risk management, we can not only meet stakeholders' expectations for transparency, but also analyze how we can best reduce our climate impact across the value chain.

By actively participating in these international collaborations and initiatives, we strengthen our sustainability governance and promote a shared commitment to more responsible and long-term sustainable development. At the same time, we gain valuable insights and tools to continuously integrate sustainability issues into all parts of our business model and operations.





2 BACKGROUND TO TROAX'S SUSTAINABILITY GOALS

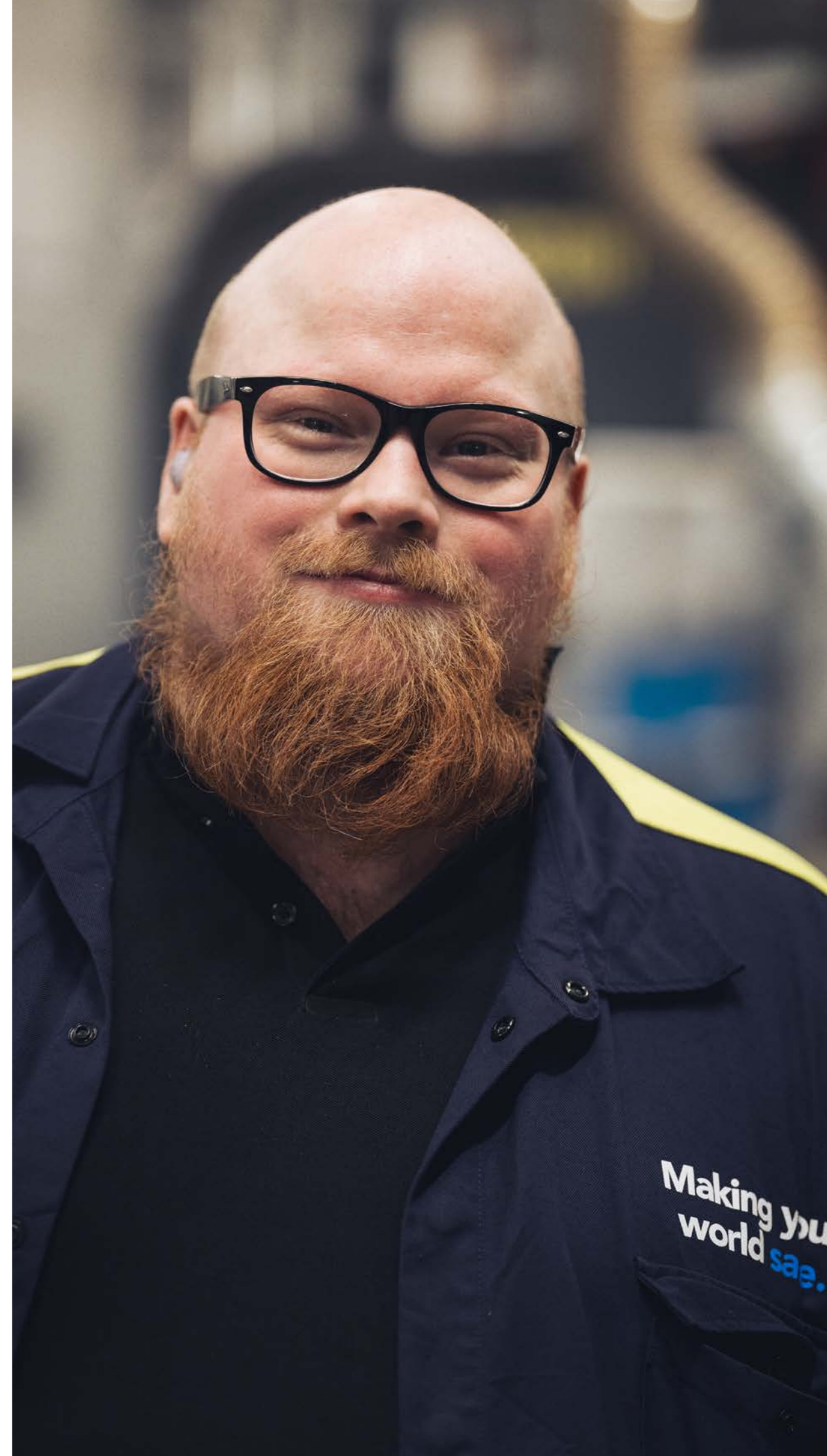
2.1 STAKEHOLDER SURVEY

TROAX GROUP PLACES GREAT IMPORTANCE ON A CONTINUOUS DIALOGUE WITH OUR STAKEHOLDERS TO ENSURE THAT OUR SUSTAINABILITY WORK IS RELEVANT, TRANSPARENT AND IN LINE WITH THEIR EXPECTATIONS. THROUGH SYSTEMATIC STAKEHOLDER MAPPING, INVOLVING CUSTOMERS, EMPLOYEES, INVESTORS, SUPPLIERS AND THE LOCAL COMMUNITY, WE HAVE IDENTIFIED THE KEY SUSTAINABILITY ISSUES THAT AFFECT BOTH OUR BUSINESS AND THE COMMUNITIES IN WHICH WE OPERATE.

| 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, supply chain management |
| Existing and potential employees | Workplace and management meetings, employee surveys, performance reviews, trade unions and other cooperation forums | Safety, human rights, diversity, equality, development opportunities, business ethics, environmental impact |
| Investors, financiers | Meetings with investors and analysts, annual financial statements and sustainability reporting, website | Product safety, environmental impact, human rights, lifecycle perspective, business ethics, supply chain management |
| Suppliers | Evaluations and audits of suppliers, procurement, 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 GROUP SUPPORTS THE UN 2030 AGENDA AND ITS 17 SUSTAINABLE DEVELOPMENT GOALS. FOR US, SUSTAINABLE DEVELOPMENT IS BOTH A RESPONSIBILITY AND AN OPPORTUNITY, WHICH IS REFLECTED IN TROAX'S STRATEGY. TROAX'S SUSTAINABILITY FOCUS AREAS ENCOMPASS OUR MATERIAL AND PRIORITY SUSTAINABILITY ISSUES. WE HAVE IDENTIFIED HOW TROAX AFFECTS AND CONTRIBUTES TO THE SDGS 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 SUSTAINABLE DEVELOPMENT GOALS, WHICH ARE PRESENTED IN CHAPTER 3.



Making your world **sae.**






2.3 RISKS AND RISK MANAGEMENT IN THE VALUE CHAIN

| STAGE IN THE VALUE CHAIN | TYPE OF RISK | RISK MANAGEMENT AT TROAX |
|--------------------------|--|--|
| Suppliers | Risk of non-compliance regarding rights and anti-corruption. | Suppliers required to sign Troax Code of Conduct. Monitoring compliance with Troax Code of Conduct by visiting Troax suppliers. |
| | Environmental risk | Troax Group primarily requests recycled steel from steel suppliers and has a stated sustainability goal that by 2030, 80 percent of all steel used will be either recycled or steel with less CO ₂ impact. |
| Product development | Environmental risks | Environmental analysis is an essential part of our product development, where we actively explore options to improve different aspects of our products. We focus on improving material selection, reducing use, energy efficiency and recyclability to achieve a more sustainable production and product life cycle. |
| | Product safety risks | Thanks to optimised constructions and the use of high tensile-strength materials, combined with regular tests at our test centre, our products have a higher degree of material efficiency and a given 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 Troax employees shall be treated with respect in accordance with basic human values. Troax companies respect the right of employees to organise and are open to offering collective agreements where possible. For extra security and support, the Troax whistleblowing function is available to all employees and other stakeholders. This is part of our efforts to ensure compliance with the Troax Code of Conduct and other policies. |
| | Health and safety risks | Reporting/monitoring incidents and accidents, action plans, training. |
| | Environmental risks | We identify the painting process as the most significant environmental risk in our operations. To address this, our coating processes are carried out in a closed system, where excess material is efficiently destroyed when needed. At our largest facilities, we have switched from natural gas to biogas. Residual waste from our metal production is handled in-house to enable efficient recycling at the smelter. |
| | | Targets and action plans to achieve energy efficiency improvements for a continuous reduction in energy use. |

| STAGE IN THE VALUE CHAIN | TYPE OF RISK | RISK MANAGEMENT AT TROAX |
|------------------------------|--|--|
| Cont. Production / Employees | Risk of corruption and bribery | Troax helps fight corruption and bribery by providing information to all employees on Troax's ethical guidelines, Code of Conduct and the whistleblower function every year. This information is also conveyed during the on-boarding of new hires within the Troax Group. |
| Logistics | Negative environmental impact from transportations from production facility to customer | Greenhouse gas emissions caused during transport are reduced by producing Troax products locally in the USA and Asia. |
| | Risk of our distributors not meeting Troax's requirements for anti-corruption and/or compliance requirements for export controls and sanctions | Requirement for Troax AB's main freight forwarders to be Euro 6-certified, carbon offsetting of air transportation. Documents to be signed for Troax distributor certification forms on anti-corruption, export control and sanctions have been introduced. |
| Customers | Product safety risks | Product tests can be carried out on products from all production units. At our largest site, we carry out third-party certifications (TUV). |
| | Work 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 | Troax makes it easier for our customers to understand the environmental impact of their product choice by communicating the impact of the products on the quote. |
| "End-of-life" | Environmental risks | Our primary product is 99 percent recyclable, and we are continuously committed to simplifying the management of the product once it has served its purpose. Troax tries to work actively with its customers by informing them about how they can best ensure that end-of-life products are recycled. |

3 AREAS OF FOCUS IN SUSTAINABILITY AT TROAX

THROUGH OUR STAKEHOLDER AND RISK ANALYSES, AS WELL AS THE GLOBAL SUSTAINABILITY GOALS WE HAVE CHOSEN TO PRIORITISE, WE HAVE IDENTIFIED THREE MAIN FOCUS AREAS THAT ARE CENTRAL TO TROAX'S SUSTAINABILITY WORK AND AT THE SAME TIME IMPORTANT TO OUR STAKEHOLDERS.

| | ENVIRONMENT | SOCIAL | CORPORATE GOVERNANCE |
|---|---|---|---|
| Troax Group focus area | Reduced environmental impact | Decent working conditions | A high standard of business ethics |
| Sustainability aspects | <ul style="list-style-type: none"> Use of raw materials (steel) Environmental aspects of the production process Environmental aspects in our product development process Environmental aspects in our logistics process Environmental aspects in our sales process | <ul style="list-style-type: none"> Occupational health, safety and well-being Universal human rights Diversity, equality and equal opportunities Good development opportunities | <ul style="list-style-type: none"> Integrity in business relations Responsible supply chain including human rights Business ethics and anti-corruption |
| Supports compliance with UN global sustainability goals |   |   |  |

For many years, we have gradually integrated these sustainability issues into our operations. This is done partly through the introduction of guidelines and policies to guide our work, and partly through structured environmental work in accordance with ISO 14001. The same three focus areas also apply to our main suppliers, and we regularly assess their performance to ensure compliance. The achievement of targets in each area is monitored on an ongoing basis to allow us to analyse progress and identify new opportunities for improvement. In 2024, we have focused on developing and aligning our

sustainability work with external frameworks such as CSRD, the GHG Protocol and SBTi, ensuring that we are well informed and up-to-date in our work.

Our ambition is to continue to strengthen our internal sustainability programme, including by offering more training and continuously setting new targets that are followed up within the organisation. In this way, we can ensure that our focus areas remain relevant and that we continue to contribute to sustainable development over time, both within the Troax Group and in cooperation with our suppliers.

3.1 ENVIRONMENTAL SUSTAINABILITY – REDUCED ENVIRONMENTAL IMPACT

3.1.1 TROAX GROUP'S ENVIRONMENTAL WORK

Troax Group has long worked to reduce the environmental impact of our business processes, and focusing on more sustainable development is a natural part of our daily work. In 2020, we conducted an in-depth analysis to determine where in the value chain our largest climate footprints occur, which gave us a clear direction to intensify climate work. The analysis showed that the raw material (steel) and environmental aspects in the production, product development, logistics and sales processes are our main focus areas.

Based on the forthcoming EU sustainability reporting requirements (CSRD) and the principle of dual materiality, we are now reviewing how these focus areas can be followed up more systematically. In addition to continually optimising our use of resources and lowering emissions in the value chain, we also complement this with environmental initiatives. One example is our co-ownership of a local wind farm, which is helping to increase the share of renewable energy. In addition, we carbon offset the freight that is shipped via our main forwarders from the factory in Sweden, in order to further reduce our carbon footprint.

By continually evaluating and improving our processes, and reporting our progress in line with new regulations, we are working to continue to reduce our climate impact in a structured and transparent way.

3.1.2 USE OF RAW MATERIALS (STEEL)

Troax Group's steel products are highly recyclable, with a recycling rate of up to 99 percent. This means that when products reach the end of their life, they can be recycled and transformed into new steel products, provided that recycling is done properly. We encourage our customers to recycle steel products and, where possible, to reuse them.

To make recycling easier and more energy efficient, our products are designed to be easy to dismantle, disassemble and sort. We aim to make the recycling process as smooth as possible. At the same time, we would like to point out that Troax Group does not have control over the actual recycling process at the end of the product's life cycle, as recycling methods vary between different markets. However, Troax Group actively promotes sustainable management of its products and encourages responsible recycling and reuse of steel.

We continuously strive to reduce the amount of steel in our production, while maintaining or increasing safety for our customers. Through innovative design, engineering and careful material selection in our product development, we have created mesh panels that require less steel per unit than any other competitor in the

world market, without compromising on safety. We are proud to be able to offer our customers safe, high-quality 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 to delivery, and we are still working hard to find new ways to reduce our environmental impact without compromising product quality and safety.

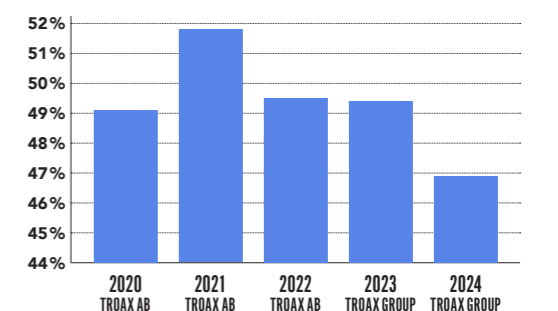
Our climate calculations (see section 3.1.6) show that steel consumption is the single biggest contributor to our climate impact. However, in 2024, we see a slight decrease in the share of recycled steel, from 49 percent in 2023 to 47 percent. Nevertheless, we remain highly focused on increasing the share of recycled or lower CO₂-impact steel in the production of our grid panels. The aim is to use 80 percent recycled or lower CO₂-impact steel in production 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 the reality is not as simple as that. The world market for recycled steel is largely governed by steel mills. The recycling rate of steel is generally high or very high, but the availability of recycled steel is not sufficient to meet everyone's needs.

In 2024, we will continue our active engagement in exploring and following the development of alternative steels, such as green steel and carbon-neutral steel. We are in close dialogue with our material suppliers to identify opportunities to use these more sustainable materials.

As the demand for steel is constantly increasing and the long life cycle of steel continues to challenge the availability of recycled materials, we are working proactively to meet this challenge. By exploring new material options and strategies, we aim to achieve our sustainability goals and ensure continued responsible production.

PROPORTION OF PURCHASED RECYCLED STEEL IN PIPES AND WIRE

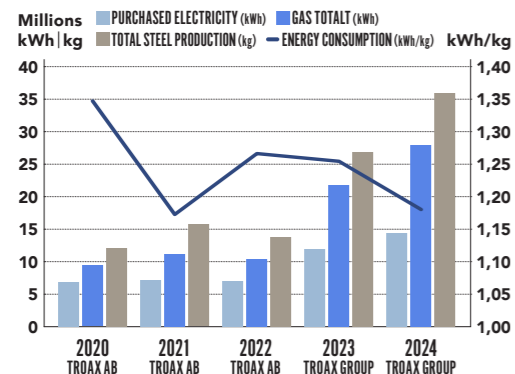


3.1.3 AN ENVIRONMENTALLY-FRIENDLY PRODUCTION PROCESS

Troax Group always strives for the most environmentally friendly production process possible and has therefore certified our facility in Sweden according to ISO 14001 (environmental management system) since 1998. Our other sites are either already ISO 14001 certified or plan to become so in the coming years. This means that we work systematically to minimise our environmental impact. We continuously measure our environmental performance, focusing on reducing pollution, material consumption and emissions to air and water. We actively work to minimise the use of fossil fuels and ensure that no heavy metal emissions occur in the production process. Residual products, such as steel scrap from cutting and shearing, are recycled in cooperation with our recycling partners. Our climate projections for 2024 show that the production process has very small climate impacts (see Section 3.1.6).

Our operations in Sweden are notifiable under environmental legislation, and our manufacturing sites in China, Italy, the UK, Poland and the US comply with their national environmental regulations.

For several years, Troax Group has had the goal of reducing energy consumption by 2 percent annually per kilogram of steel consumed. In 2024, we will continue this work, having achieved a 6 percent reduction compared to the previous year.



In 2024, we will also intensify the mapping of energy use across the Group to optimise consumption and minimise waste. We report energy consumption for the whole group, which provides a comprehensive picture of our global energy use and supports our continued efforts to improve energy efficiency at group level.

As of 2023, we started reporting energy consumption for the whole group. This means that the total numbers now show an increase compared to previous years, when only use from the Swedish entity was reported. This step will give us a more

comprehensive picture of our global energy use and help us to further improve our energy efficiency at group level.

3.1.4 ENVIRONMENTAL ASPECTS IN OUR PRODUCT DEVELOPMENT PROCESS

All product development projects within the Troax Group brands undergo a mandatory environmental analysis. The aim is to identify and highlight environmental aspects in the development of new products. Environmental considerations are taken into account both during the feasibility study and at the end of the design phase. The environmental assessment involves a critical review of material selection and construction according to a standardised method, where a protocol is established. We also assess the production method, packaging and logistics. Products that receive high ratings contribute to greater climate benefits, while products with lower ratings are identified for improvement measures where possible.

Troax Group's commitment to the environment has resulted in several effective and sustainable product innovations. One example is our flexible and material-saving Multi Bracket for switches, which optimises material usage. We have also developed an 80x80 column with reduced material thickness, which reduces steel consumption while improving the strength of the system. Our patented Smart Splice helps reduce the need for packaging during transportation, creating more sustainable logistics solutions. In addition to these innovations, several development projects are underway focusing on reducing material consumption without compromising product quality. At a global level, environmental analysis is a central part of product development in our various businesses. Folding Guard in the United States and Satech in Italy are actively using environmental analysis in their product development projects, while Natom in Poland is preparing to introduce the same methodology. In addition, we have replaced printed assembly instructions with digital alternatives, which not only improves accessibility but also significantly reduces paper use.

3.1.5 ENVIRONMENTAL ASPECTS IN OUR LOGISTICS PROCESS

At Troax, we work with our transport partners to minimise the impact we have on our surroundings. Our aim is to use the most environmentally friendly vehicles for road freight as far as possible, with the goal that eventually 70 percent of freight within Europe will be classified as 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 2024, we have continued to achieve the target of at least 70 percent of road transport in Europe being Euro 6-compliant. Where customers request that we fly our goods, Troax will

use air freight forwarders who offset their carbon emissions as far as possible. This also includes courier and express package deliveries.

We are continuously streamlining our packing methods in order to maximise cargo space in trucks and thereby minimise the number of trips. In addition to reducing our climate impact through transportation, we are also working to reduce the number of transports by increasing the share of local production of Troax products in the US for the North American market and in China for the East and Southeast Asian markets (APAC). From 2020 onwards, the share of local production in the US and APAC has increased significantly compared to previous years, resulting in less transportation between the regions.

3.1.6 TROAX CLIMATE CALCULATIONS 2024

In 2020, Troax Group carried out a comprehensive mapping and calculation of climate impact for the first time. Initially, the focus was on emissions from the production unit in Sweden. In 2022, several of the Group's production units started to be integrated into the reporting, and from 2023 onwards, the reporting will cover all production units within the Group.

In November 2024, Troax has officially committed to work under the Science Based Targets initiative (SBTi), which means that we commit to setting science-based climate targets in line with the Paris Agreement's goal of limiting global warming within 2 years. The results are presented in the accompanying table, where emissions are divided according to the GHG Protocol's three "Scope" categories.

Scope 1 covers direct greenhouse gas emissions from our operations, such as the combustion of diesel/petrol in our own vehicles, the use of gas and the leakage of refrigerants.

Scope 2 covers indirect emissions from purchased electricity, heating and cooling. These emissions are accounted for under the GHG Protocol using both market-based and location-based calculation methods. The market-based emissions are based on supplier-specific information, where our target is to purchase only 100 percent renewable electricity. Location-based emissions are calculated based on the emission factor of the Nordic electricity mix.

Scope 3 covers indirect emissions across our value chain. In the first mapping stage for scope 3, we have prioritised five categories: outbound (customer) transport, business travel, waste, commuting and steel purchases. We use emission factors from DEFRA and report the results in tons of carbon dioxide equivalent (CO₂e) according to the GWP100 standard.

Our analysis over the last four years shows that the majority of emissions are in Scope 3, while Scope 1 and Scope 2 account for a much smaller share. Until 2022, our reporting covered only Troax AB. As of 2023, it was extended to the whole group, which has affected the distribution between the different scopes.

The purchase of materials, especially steel, continues to be the largest source of emissions. Our current calculations are not yet fully in line with the GHG Protocol guidelines, as we have so far focused on the most significant emission categories. We will fully align our reporting with the GHG Protocol in 2025.

This enhanced reporting will allow us to present our CO₂ emissions in absolute terms and provide a deeper insight into our overall environmental impact. Through our involvement in SBTi and our focus on transparent reporting, we aim to actively contribute to a sustainable future.

| EMISSION CATEGORY | TONNES CO ₂ e | | | | | | |
|---|--------------------------|--------|--------|-------------|--------|--------|---------|
| | TROAX AB | | | TROAX GROUP | | | |
| | 2020 | 2021 | 2022 | 2023 | 2024 | | |
| Scope 1 | 0.35% | 0.05% | 0.10% | 1.60% | 1,591 | 2.11% | 2,830 |
| Scope 2 | 1.00% | 0.30% | 1.30% | 3.30% | 3,278 | 2.72% | 3,654 |
| Scope 3 – material procurement | 93.30% | 92.80% | 92.30% | 92.74% | 92,069 | 87.07% | 117,022 |
| Scope 3 – out-going transportation | 4.80% | 6.20% | 5.30% | 1.71% | 1,695 | 2.74% | 3,684 |
| Scope 3 – other emissions | 0.55% | 0.65% | 1.00% | 0.65% | 645 | 0.54% | 731 |
| Total Scope 1 & 2 | 1.35% | 0.35% | 1.40% | 4.90% | 4,869 | 4.82% | 6,485 |

Increasing the use of recycled steel is a key factor in Troax Group's efforts to reduce its climate impact. Combined with a continuous focus on product development, where we strive to reduce steel use in our products without

compromising on safety, these are two of our top priorities in climate action. Troax will continue to actively seek partnerships with transportation companies that offer environmentally friendly alternatives.

3.1.7 ENVIRONMENTAL ASPECTS IN OUR SALES PROCESS

As shown by our climate calculations and the sections mentioned earlier, the use of steel in our products is the single biggest contributor to negative environmental impacts. Therefore, one of our key strategies is to continuously increase the proportion of recycled steel in production and to reduce the total amount of steel used in the development of new products, without

compromising the high level of safety guaranteed by the Troax Group.

To ensure transparent communication about our climate impact, we regularly publish this information on our website and in our tenders. Furthermore, we invest in continuous training of our sales teams, so that they can guide our customers to make informed and environmentally conscious decisions when choosing Troax Group products.

| PRODUCT | PRODUCT COMPARISON | DIFFERENCE |
|--------------------------|--|------------|
| Panel ST20 2,050x1,500 | Panel ST20 2,050x1,500 vs Panel ST30 2,050x1,500 | -15% |
| Panel ST30 2,050x1,500 | Panel ST30 2,050x1,500 vs Panel ST20 2,050x1,500 | 18% |
| Post 60x40x2,200 | Post 60x40x2,200 vs Post 80x80x2,200 | -54% |
| Post 80x80x2,200 | Post 80x80x2,200 vs Post 60x40x2,200 | 116% |
| SYSTEM COMPARISON | | |
| | Smart Fix 60x40 vs Strong Fix 80x80 | -27% |
| | Strong Fix 80x80 vs Smart Fix 60x40 | 37% |

3.1.8 TAXONOMY REPORTING 2024

The EU's Taxonomy Regulation (EU 2020/852) came into effect in 2021, after which Troax carried out its first assessment of which economic activities fall within the EU's taxonomy, so-called taxonomy-eligible. When analysed against the sectors defined in the taxonomy, it can be noted that for none of the years 2021–2024 does any part of Troax's turnover, defined as net turnover, see note 1 on page 23 of the annual report for 2024, include activities that the Taxonomy Regulation defines as significantly contributing to the green transition. Troax has chosen to set a few parameters for the collection of data on operating and capital expenditure. The delimitations and clarification of the definition for each KPI are described below and 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, building refurbishment, short-term leasing, repair and maintenance and 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 CO₂ emissions, known as stand-alone OPEX, from the taxonomy-eligible and/or aligned OPEX, since the amount is considered insignificant.

Capital expenditures (CAPEX) according to the taxonomy include all types of investments capitalised during the year, such as acquisitions of tangible and intangible fixed assets and rights-of-use assets, excluding leases that are not capitalised as rights-of-use assets under IFRS 16. Goodwill is not included in CAPEX, since it is not defined as an intangible asset under IAS 38. For further information on our accounting policies for sales of goods and services and capital expenditure, see Note 1 on pages 23–25 of the 2024 Annual Report. Troax has chosen to set a lower threshold of EUR 50 thousand for investments leading to low-carbon operations or a reduction in CO₂ emissions, so-called stand-alone CAPEX, for taxonomy-eligible and/or aligned CAPEX, since the amount below the threshold is considered to be insignificant. Troax has no investment plans which aim specifically to create new taxonomy-aligned activities. Therefore, no eligible or aligned OPEX or CAPEX related to such plans has been reported.

Troax supports the initiative and the underlying principle of the EU taxonomy. However, it is important to emphasise that economic activities not directly covered by the sectors defined in the taxonomy should not automatically be considered unsustainable. Although these activities are not included in the categories identified by the EU as making the most substantial contribution to the green transition, they can still play an important and sustainable role in their specific industries.

3.2 SOCIAL SUSTAINABILITY – GOOD WORKING CONDITIONS

OUR AMBITION AT TROAX GROUP IS TO BE AN ATTRACTIVE AND RESPONSIBLE EMPLOYER WHERE EMPLOYEES FEEL MOTIVATED TO STAY OVER TIME. WE ARE CONVINCED THAT THE SUCCESS OF OUR COMPANY IS DIRECTLY LINKED TO A STRONG CORPORATE CULTURE THAT PROMOTES DIVERSITY, CONTINUOUS LEARNING AND HIGH SKILLS. AN IMPORTANT PREREQUISITE FOR ACHIEVING THIS GOAL IS TO OFFER OUR EMPLOYEES GOOD WORKING CONDITIONS.

3.2.1 HEALTH, SAFETY AND WELL-BEING

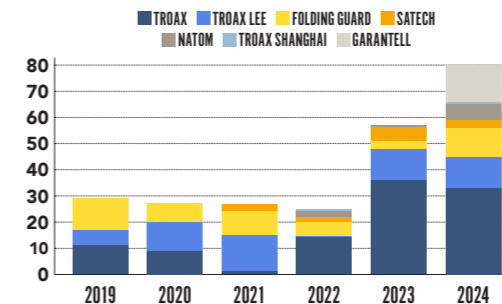
Good health is fundamental for people to be able to realise their full potential and contribute to the development of society. Troax Group's businesses are committed to providing a healthy and safe working environment and we have a zero vision for injuries to our employees and injuries to our customers 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.

In 2024, we have observed that the number of reported accidents has continued in line with the levels we saw in 2023. This development reflects the improved reporting methods and increased safety awareness within the Troax Group, which contributes to a more accurate identification and management of potential risks. We believe that the current level of reporting is a natural part of our continuous efforts to strengthen health and safety, and thus does not represent a negative trend, but rather a sign of maturity and transparency in our safety culture.

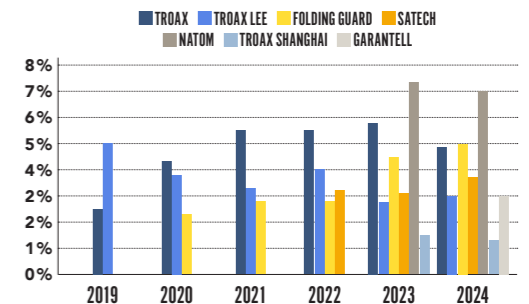
Our subsidiaries are directly responsible for maintaining a safe working environment that meets or exceeds local legal requirements. Within Troax Group's manufacturing companies, monthly reports are compiled that include employee statistics, such as overtime, sick leave, incidents and accidents. These reports are reviewed continuously by Group Management. Abnormal absences, incidents or accidents are thoroughly investigated and relevant incidents are reported to the authorities in accordance with applicable legislation. We also prioritise internal fire safety controls to minimise the risk of property damage and personal injury, contributing to a safe and healthy working environment.

During the period 2020–2022, we noted an increase in sickness absences, which can be mainly attributed to the Coronavirus pandemic. The strict guidelines during the pandemic, which meant that employees were not allowed to be present when showing signs of illness and the requirement for several symptom-free days before returning to work, affected the pattern of sick leave. In 2024, we have not identified any additional factors contributing to sickness absence. We therefore assess that the current level, where employees to a greater extent stay at home in case of illness, constitutes a new normal state within the Troax Group.

ACCIDENTS REPORTED



AVERAGE SICKNESS ABSENCE RATE, TROAX AB



3.2.2 UNIVERSAL HUMAN RIGHTS

Troax Group’s commitment to human rights and fair labor conditions is underpinned by our internal guidelines, including the Troax Code of Conduct and our Supplier Code of Conduct. Through these documents, we demonstrate our support for existing human rights frameworks and the UN Guiding Principles on Business and Human Rights. To minimise the risks related to human rights, we ensure that we comply with both national legislation and international agreements.

Our Code of Conduct, which is based on our core values, serves as a guiding document to identify, prevent and mitigate risks in the area of human rights and fair labor practices. Troax Group does not tolerate child labour or any form of forced or penal labour and we support children’s rights and their right to education. We further ensure that all our direct and indirect employees are treated with the respect that fundamental human values require. Furthermore, Troax Group safeguards freedom of association, which means that all employees have the right, if they so wish, to join a trade union and be covered by collective agreements.

3.2.3 DIVERSITY AND EQUAL OPPORTUNITIES

Troax Group’s overall goal is to integrate diversity and equality work as a natural part of all our activities. As an employer, we have a responsibility to ensure that all employees are treated equally and with respect, regardless of their workplace, job level or whether they are part of management and decision-making bodies. We are convinced that an equal and diverse workplace not only contributes to an attractive and dynamic working environment, but also reflects society at large.

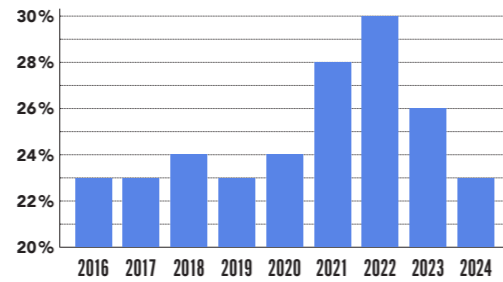
We strive to create an inclusive culture where every employee feels respected. Troax Group rejects all forms of discrimination and harassment, whether based on gender, age, ethnicity, religion, disability, sexual orientation, marital status, social group or other characteristics. Gender equality is a fundamental prerequisite for sustainable development, and we work actively to ensure that there is no pay differentiation between employees with similar tasks.

For us, diversity means not only having a diverse workforce with relevant skills, but also promoting an inclusive work environment. This is taken into account in all our HR processes, and we strictly follow a non-discrimination policy. Troax Group

also aims to increase the proportion of women in management positions. The parent company’s Board of Directors actively promotes gender equality and diversity in the recruitment process for new Board members.

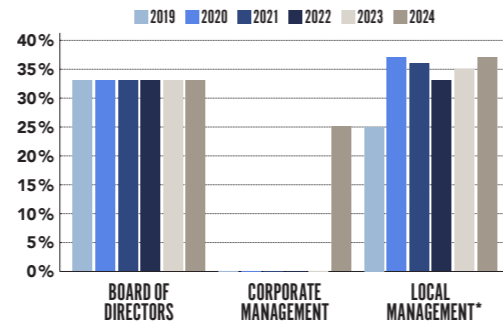
However, it is important to note that, like many other industrial companies, the staff employed is currently predominantly male. By 2024, the share of women has dropped from 26 percent in the previous year to 23 percent, which is considered to be due to natural causes in the form of acquisitions, natural attrition and recruitments.

PROPORTION OF WOMEN EMPLOYED IN THE TROAX GROUP



In terms of senior management, the Board of Directors of Troax Group AB, elected by the General Meeting, consists of 33 percent women. As part of the restructuring of the central management team, female representation has increased from 0 percent to 35 percent. Within the local management teams, the share of women has also increased marginally, from 35 percent in 2023 to 37 percent in 2024.

PROPORTION OF WOMEN MANAGERS/EXECUTIVES/DIRECTORS



* Refers to local management teams in the seven production units of the group

3.2.4 GOOD PROFESSIONAL DEVELOPMENT OPPORTUNITIES

Troax Group has a strong corporate culture based on our core values of customer focus, respect and collaboration. We offer competitive salaries and benefits, a multicultural and inclusive work environment, and working conditions that take into account the needs of our employees. Career development and training opportunities are key to attracting and retaining talented staff, and are a cornerstone of our corporate culture.

To promote greater competence and engagement, we regularly collect feedback from our staff through employee surveys and annual performance reviews between staff and managers. These conversations are crucial not only to ensure individual skills development, but also to translate the company’s overall objectives into concrete, work-related goals for each employee.

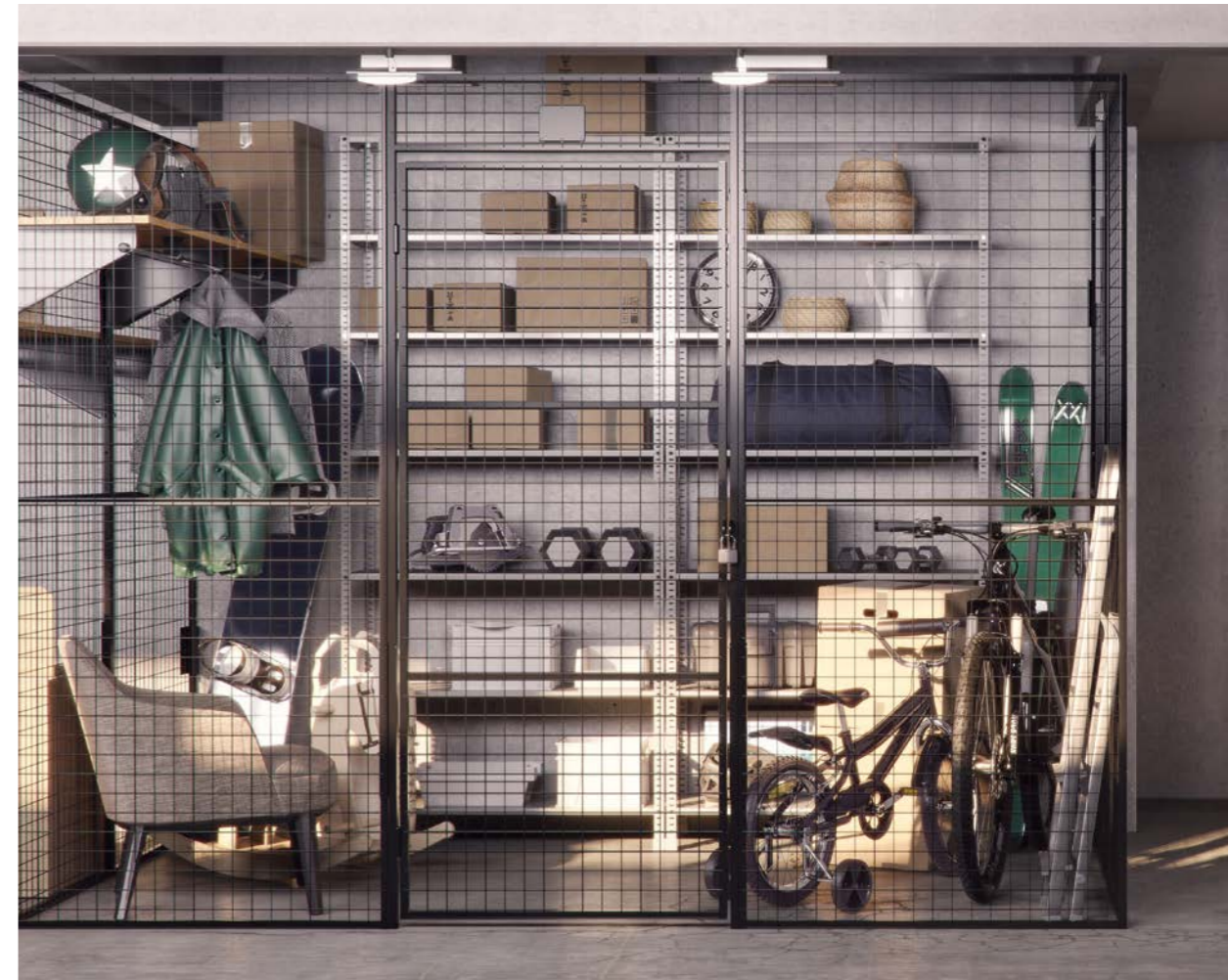
Most of the Group’s companies have introduced a process whereby a documented performance appraisal is held at least once a year between manager and employee. Continuous professional

development opportunities are offered to both staff and managers through internal and external training. Furthermore, Troax Group promotes internal mobility by often recruiting employees internally, and all vacant positions are also advertised internally, even in cases where external advertising takes place.

3.3 ECONOMIC SUSTAINABILITY – HIGH STANDARD OF BUSINESS ETHICS

Peaceful societies and freedom from violence are both ends and means of sustainable development. Inclusive, accountable and fair institutions are the foundation of good governance, free from conflict, corruption and violence. Troax Group’s approach to business ethics is clearly defined in our documents: Troax Code of Conduct, Troax Code of Ethics and Troax Whistleblower Policy.

We build our business on nine core ethical values, complemented by our core values of customer focus, respect and collaboration. To ensure that all employees, suppliers, partners and other stakeholders have a common understanding of these principles, we have compiled our values in the



documents Troax Code of Conduct and Troax Code of Conduct for Suppliers. In addition to these, there is a specific policy for distributors that regulates anti-corruption, export controls and sanctions.

Management has overall responsibility for implementing and monitoring our ethical principles. Troax Group's Code of Conduct requires a high level of business and personal ethics from all employees and includes the following areas:

- » **Undue influence:** We have zero tolerance for bribery and other forms of corruption. All marketing activities and representations must comply with our internal rules and with applicable business practices and legislation. Neither employees nor contractors may accept, request or give benefits that could be perceived as attempts at undue influence.
- » **Conflicts of interest:** Personal interests, such as own financial benefits, family or friendship relationships must not influence Troax Group's decisions. In the event of a potential conflict of interest, the line manager should be informed so that appropriate action can be taken.
- » **Competition:** Effective competition on a level playing field is essential for a well-functioning economy. We commit not to engage in activities that unduly restrict competition, which benefits both customers and society at large.

All employees are informed annually about the Troax Code of Conduct and the Whistleblower

Policy, and the review of these documents is a mandatory part of the induction program for new employees. These documents are also translated into local languages where necessary, to ensure that all information is accessible to all staff.

Since 2021, all employees have confirmed their awareness and intention to follow these principles through an annual signing process.

In 2024, we have continued our work to strengthen the ethical foundation of the Troax Group. At the beginning of the year, we implemented an anti-corruption policy that clarifies our commitment to upholding the highest standards of integrity and transparency in all areas of our business. Through this policy, we have further strengthened our efforts to prevent, identify and address corruption and other irregularities. This is work that helps maintain the trust we have with our customers, suppliers and employees.

As a natural continuation of the whistleblowing management process launched in 2023, in 2024 we have further developed and fine-tuned this process. By using an external and independent digital platform, we ensure that all cases are handled with a high level of objectivity and transparency, with cases reported directly to the Board. During the year, the number of reported cases has been 5, which we see as a sign that our staff and stakeholders have confidence in the system, which is considered a prerequisite for proactively identifying and managing potential risks in the future.

IMPLEMENTED PROCESSES FOR PROMOTING HIGH BUSINESS ETHICS

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|------|
| Whistleblower function covering all Group companies | √ | √ | √ | √ | √ |
| Troax Code of Conduct and whistleblower policy have been communicated to all employees in the Group during the year | √ | √ | √ | √ | √ |
| All new hires are made aware of the Troax Code of Conduct and Whistleblower Policy during on-boarding | √ | √ | √ | √ | √ |
| The Troax Code of Conduct and Whistleblower Policy are translated into the local language in those countries where employees cannot read English | √ | √ | √ | √ | √ |
| Number of cases reported via the whistleblower system | 1 | 1 | 0 | 6 | 5 |

Troax Group also has an Export Control and Sanctions Policy, designed to ensure that our activities comply with the sanctions rules established by the UN, EU and US. The list of sanctioned countries and the processes related to these rules are reviewed at least annually, or as needed, to ensure timeliness and compliance. Furthermore, Troax Group pays taxes in accordance with the local tax laws in all countries where we operate. Each company within the group accounts for and pays income tax based on its

reported operating profit, without taking advantage of legal structures aimed at optimising the tax cost. We value our reputation highly, and this should permeate all our units and companies, both internally and externally. As an employee, it is therefore important to be aware that actions and statements, whether inside or outside the organisation, reflect the Troax Group brand. Our staff are therefore always expected to take responsibility for their personal statements and opinions.



3.3.1 SUSTAINABILITY IN THE SUPPLY AND DISTRIBUTION CHAIN

Our goal is to create long-term value for the business, our customers and society at large by partnering with suppliers who share our sustainability standards in areas such as environment, labor, human rights and business ethics. These principles, which are in line with the UN Global Compact, are integrated into the Troax Code of Conduct for Suppliers – a document implemented in 2020 that requires suppliers' acceptance by signing.

To ensure that our suppliers continuously live up to our requirements, Troax Group has introduced a reporting system in 2023, where all suppliers over time must report how they handle and comply with our requirements regarding working conditions, business ethics and environmental impact. The work started in 2023 for our Swedish operations

and has continued in 2024 to extend the system to all producing units within the group.

Working together with our partners in the value chain, we are committed to ensuring that both our own and our partners' operations continuously meet sustainability requirements and standards. Our focus is on collaboration and co-development, with a strong emphasis on taking responsibility for our impact across the value chain.

All main suppliers to the Troax Group, including the entities that supply materials to Troax AB, Troax Shanghai, Troax Lee, Folding Guard and Satech Safety Technology Spa have signed our Supplier Code of Conduct. Work with Natom and Garantell has started. A review and request for a new signature of the Code of Conduct takes place every two years to ensure that our requirements are kept up-to-date.

4 OUTCOMES AND GOALS REGARDING TROAX'S SUSTAINABILITY INITIATIVES

In 2024, Troax's sustainability work has taken clear steps forward, in particular by joining the Science Based Targets initiative (SBTi). This means that our climate targets will now be science-based and in line with the Paris Agreement goals. We have also continued to adapt our emissions reporting under the GHG Protocol to strengthen data quality and increase transparency towards our stakeholders.

At the same time, we have made important preparations for the new EU regulatory framework for sustainability reporting (CSRD), where value chain analysis, stakeholder mapping and dual materiality analysis have given us a broader understanding of which areas require extra focus. Thanks to these efforts, we are better equipped to report on our progress in more detail in future reports.

In terms of reducing climate impact, steel remains the largest source of emissions. Our ambition remains unchanged: by 2030, 80 percent of the steel used in production will be recycled or equivalent steel with less CO₂ impact. In 2024, we have deepened

cooperation with our material suppliers to explore the possibilities of using green and carbon-neutral steel. At the same time, we have continued to streamline our own product development and production, including by constantly reducing material consumption without compromising safety.

In the social area, we have stabilised the number of accidents at a manageable level and continue to work proactively on training and improved reporting. In addition, during the year we have stepped up our efforts to increase gender equality, both in management teams and in the Group as a whole, although this remains a challenge in a historically male-dominated industry.

In conclusion, the results we achieved in 2024 are an important step towards our long-term goals. We believe that a close interaction between strong business ethics, good working conditions and reduced environmental impact strengthens Troax's competitiveness and contributes to a more sustainable future.

| SUSTAINABILITY FACTOR | GOAL 2020-2030 | 2021 | 2022 | 2023 | 2024 |
|--|---|---|---|--|---|
| 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: 1.17 kWh/kg | Troax AB: 1.27 kWh/kg | Troax Group: 1.25 kWh/kg | Troax Group: 1.18 kWh/kg |
| Reduced environmental impact – outgoing transport | 70% of all road transportation by Troax's main freight forwarders shall be in accordance with the Euro 6 emissions standard | 67% for transportation from Sweden | 75% for transportation from Sweden | 75% for transportation from Sweden | 86% for transportation from Troax AB in Sweden |
| | 100% of carbon emissions from all air freight with Troax main forwarders shall be compensated | 100% of the Swedish entity | 100% of the Swedish entity | 100% of the Swedish entity | 100% for transportation from Troax AB in Sweden |
| Reduced environmental impact – product development | All product development within the Group shall comprise an environmental impact analysis. | Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Work initiated on environmental assessments | Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Work initiated on environmental assessments Natom: Environmental assessments not yet initiated | Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Environmental assessment performed for development of new products Natom: Environmental assessments not yet initiated | Yes: Troax AB No: Folding Guard Satech Troax Shanghai Troax Lee Natom Garantell |
| Reduced environmental impact – use of steel | 80% of Troax AB's steel consumption by 2030 to come from either recycled or lower CO ₂ impact steel | Share of recycled steel Troax AB: 51% | Share of recycled steel Troax AB: 49% Satech: 59% Folding Guard: 82% | Share of recycled steel Troax Group: 49.4% | Share of recycled steel Troax Group: 46.9% |
| | Other production facilities will be targeted in connection with the implementation of the GHG Protocol work | Other production facilities: Data collection from suppliers has started | Other production facilities: Data collection from suppliers has started | Three out of six production units collect data from suppliers | All production units collect data In 2025, targets will be set |

| SUSTAINABILITY FACTOR | GOAL 2020-2030 | 2021 | 2022 | 2023 | 2024 |
|---|---|--|--|--|--|
| Reduced environmental impact / Decent working conditions / High standard of business ethics | All Troax priority suppliers must sign the Troax Supplier Code of Conduct or an equivalent document | Troax AB: 100% of Class A suppliers Troax Shanghai: 100% Satech: 80% of purchase volume Folding Guard: Work initiated Troax Lee: Work initiated Natom: Work not yet initiated | Troax AB: 100% Troax Shanghai: 100% Satech: 100% Folding Guard: 20% Troax Lee: 20% Natom: Work not yet initiated | Troax AB: 100% Troax Shanghai: 100% Satech: 100% Folding Guard: 100% Troax Lee: 100% Natom: Work initiated | Yes: Troax AB Folding Guard Satech Troax Shanghai Troax Lee No: Natom Garantell |
| Good working conditions – minimise the number of accidents | Troax shall employ preventative measures to reduce the number of accidents in its operations | 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: 2 pcs | Troax AB: 36 pcs Folding Guard: 3 pcs Troax Lee: 12 pcs Satech: 5 pcs Troax Shanghai: 0 pcs Natom: 1 pc | Troax AB: 33 pcs Folding Guard: 11 pcs Satech: 3 pcs Troax Lee: 12 pcs Natom: 6 pcs Troax Shanghai: 1 pc Garantell: 14 pcs |
| Decent working conditions – a more even gender distribution | In its recruitment of senior executives, Troax shall pursue an ambition to have a more even gender ratio | Proportion of women Board of Directors: 33% Central Management: 0% Local management teams (6 companies): 36% women | Proportion of women Board of Directors: 33% Central Management: 0% Local management teams (6 companies): 33% women | Proportion of women Board of Directors: 33% Central Management: 0% Local management teams (6 companies): 35% women | Proportion of women Board of Directors: 33% Central Management: 25% Local management teams (7 companies): 37% women |
| Good working conditions – collaborative function | 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 aspects relating to equal opportunities issues are observed during these processes | Process implemented for Troax AB | Process implemented for Troax AB | Process implemented for Troax AB | Yes: Troax AB Folding Guard Satech Troax Shanghai Troax Lee Garantell No: Natom Satech |
| 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: White collar 100% Troax Lee: 10% Satech: 10% Natom: Work initiated in 2023 Within the rest of the Group, the majority of companies have conducted performance reviews with 100% of employees | Troax AB: 75% Folding Guard: 0% Troax Shanghai: 100% Troax Lee: 100% Satech: 10% Natom: 5% Claitec: 40% Within the rest of the Group, the majority of companies have conducted performance reviews with 100% of employees | Troax AB: 74% Folding Guard: 100% Satech: 28% Troax Lee: 100% Natom: 26% Troax Shanghai: 100% Garantell: 85% |
| High standard of business ethics – information | 100% of Troax employees shall be informed of the Troax Code of Conduct and Whistle-blower Policy every year | 100% | 100% | 100% | 100% |
| High standard of business ethics – training | 100% of all employees with continuous contact with customers and suppliers will have received training on business ethics | Training not initiated | Training not initiated | Training not initiated | Training started |

5 TAXONOMY TABLES

TAXONOMY OF TURNOVER (Note 3 in the Annual Report for the financial year 2024)

| ECONOMIC ACTIVITIES | Code | SEK million | Turnover | Proportion of turnover | CRITERIA FOR SUBSTANTIAL CONTRIBUTION | | | | | | | CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH) | | | | | | | Minimum safeguards | Proportion of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2) in 2023 | % | E | T |
|--|------|----------------|-------------|------------------------|---------------------------------------|---------------------------|-------|-----------|------------------|--------------|---------------------------|--|----------|-----------|------------------|--------------|----------|----------|--------------------|--|---|---|---|
| | | | | | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | | | | | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (A.1) | | 0 | 0% | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | 0% | | | | |
| Of which enabling | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | E | | |
| Of which transitional | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | T | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g) | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 278,544 | 100% | | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 278,544 | 100% | | | | | | | | | | | | | | | | | | | | |

OPEX TAXONOMY

| ECONOMIC ACTIVITIES | Code | SEK million | Operating expenditures | Percentage of operating expenditures | CRITERIA FOR SUBSTANTIAL CONTRIBUTION | | | | | | | CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH) | | | | | | | Minimum safeguards | Proportion of OpEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2) in 2023 | % | E | T |
|--|------|--------------|------------------------|--------------------------------------|---------------------------------------|---------------------------|-------|-----------|------------------|--------------|---------------------------|--|----------|-----------|------------------|--------------|----------|----------|--------------------|--|---|---|---|
| | | | | | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | | | | | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | 0% | | | | |
| Of which enabling | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | E | | |
| Of which transitional | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | T | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g) | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | | | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0 | 0% | % | % | % | % | % | % | % | | | | | | | | | 0% | | | | |
| A. OpEx of taxonomy-eligible activities (A.1+A.2) | | 0 | 0% | % | % | % | % | % | % | % | | | | | | | | | 0% | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| OpEx of non-taxonomy-eligible activities | | 7,505 | 100% | | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 7,505 | 100% | | | | | | | | | | | | | | | | | | | | |

TAXONOMY OF CAPEX (Notes 12, 13 and 15 of the Annual Report for the financial year 2024)

| ECONOMIC ACTIVITIES | Code | SEK million | Capital expenditures | Percentage of capital expenditures | CRITERIA FOR SUBSTANTIAL CONTRIBUTION | | | | | | | CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH) | | | | | | | Minimum safeguards | Percentage of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2) in 2023 | % | E | T |
|--|------|---------------|----------------------|------------------------------------|---------------------------------------|---------------------------|-------|-----------|------------------|--------------|---------------------------|--|----------|-----------|------------------|--------------|----------|----------|--------------------|--|---|---|---|
| | | | | | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Pollution | Circular economy | Biodiversity | | | | | | | |
| A. TAXONOMY-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | | | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | 0% | | | | |
| Of which enabling | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | E | | |
| Of which transitional | | | % | % | % | % | % | % | % | % | Y | Y | Y | Y | Y | Y | Y | Y | % | | T | | |
| A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g) | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | EL: N/EL | | | | | |
| Acquisition and ownership of buildings | | CCM 7.7 | 224 | 2% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 0% | | | | |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 224 | 2% | 2% | % | % | % | % | % | % | | | | | | | | | 0% | | | | |
| A. CapEx of taxonomy-eligible activities (A.1+A.2) | | 224 | 2% | 2% | % | % | % | % | % | % | | | | | | | | | 0% | | | | |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | | | | | | | | | | | | | | | | | | | | | | |
| CapEx of non-taxonomy-eligible activities (B) | | 13,850 | 98% | | | | | | | | | | | | | | | | | | | | |
| TOTAL | | 14,074 | 100% | | | | | | | | | | | | | | | | | | | | |

TAXONOMY FOSSIL GAS AND NUCLEAR ENERGY

| NUCLEAR ENERGY RELATED ACTIVITIES | YES/NO |
|--|--------|
| The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |
| FOSSIL GAS RELATED ACTIVITIES | |
| The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |



HILLERSTORP, 21 MARCH 2025

ANDERS MÖRCK
Chair

EVA NYGREN
Board Member

THOMAS WIDSTRAND
Board Member

ANNA STÅLENBRING
Board Member

FREDRIK HANSSON
Board Member

BERTIL PERSSON
Board Member

MARIE LANDFORS
Board Member

MARTIN NYSTRÖM
CEO

STEFAN LUNDGREN
Employee Representative

Our statements regarding the statutory sustainability report were issued on 21 March 2025.
Öhrlings 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

ENGAGEMENT AND RESPONSIBILITIES

The Board of Directors is responsible for the sustainability report for the financial year 2024 and for ensuring that it has been prepared in accordance with the previous version of the Annual Accounts Act, which was in force before July 1, 2024.

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, 21 March 2025
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant

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