

BUFAB GROUP POLICY

Sustainability

BUFAB

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1. Background and purpose

Bufab assumes far-reaching responsibility for its own operations and the impact they have on all people, the environment and wider society in a longer-term perspective. All operations are based on compliance with applicable legislation and in many contexts, Bufab assumes greater responsibility than this. Bufab's Sustainability Policy defines the scope and overall ambitions on sustainability which serves as a broad framework for the whole group. Our Sustainability Policy recognizes our corporate global responsibility needs to be balanced considering the needs of people, planet, and profit.

This policy applies to all material sustainability matters identified by the undertaking adherence to the Minimum Disclosure Requirements as defined in the European Sustainability Reporting Standards (ESRS) under Directive (EU) 2022/2464 corporate sustainability reporting. The scope covers the entire value chain, including upstream and downstream activities, across all geographies where Bufab operates. It also considers the interests of key stakeholder groups, including those potentially affected by sustainability impacts.

Bufab Group is committed to promoting sustainable practices across all its operations. Our goal is to minimize our environmental impact, support social responsibility, and ensure economic viability for future generations.

Our mission is to operate a sustainable business that prioritizes environmental responsibility, social equity, and economic viability. We are committed to reducing our ecological footprint, supporting our communities, and ensuring long-term success through sustainable practices. As a fundamental principle, we adhere to all applicable laws and regulations. The policy shall also be viewed as a support the ongoing work on outlining Bufab's sustainability progression in all Bufab companies.

To ensure that all entities within Bufab ('the Group') are complying with applicable laws and regulations and that the Group's values and desired ways of conducting business are communicated and followed throughout the entire organization, Bufab AB (the parent company) has developed several governing documents, including this policy.

2. Audience

The policy applies to all entities within the Group, which includes all personnel including management and board members of the parent company as well as all Bufab companies "sister companies". The MD of each company in the Bufab Group is responsible for ensuring that employees understand the content of this policy. The policy is also in place to share the vision and ambitions with relevant stakeholders: suppliers, customers, investors, authorities, and general public.

3. Policy statement

Achieving this requires developing long term sustainable relations with our supply chain by actively making increasing sustainability demands on our suppliers based on their classification. This approach is fully aligned with this policy.

The policy statement is the introduction to the sustainability policy commitment and shall outline the sustainability strategy in a summarized version as well as connect to the areas defined through the annual materiality analysis and Bufab's strategic process.

Sustainability matters including specific material impacts, risks, and opportunities are evaluated on annual base and the board of directors are responsible for its implementation, monitoring and evaluation of the effectiveness of these objectives. Bufab have actions and strategies for managing sustainability impacts by its policies, directives and handbooks internally monitoring by bi-yearly audits. In the supply chain the actions and monitoring are made by the Sustainable Supplier Engagement Program cover lowering of greenhouse gas (GHG) emissions with 55% until 2031 and implementation of the Sustainable Development Goals with plans to prevent, mitigate, and remediate impacts encouraging our suppliers to adopt practices that minimize their environmental impact and deliver community benefits in relation to their own operations and throughout their supply chains in which they operate. According to Science based target initiative our recalculations ensures that targets reflect significant organizational acquisitions and divestments or methodological changes. Key stakeholders have been identified through a dialogue with Bufab Group management, and we conduct regular dialogues with stakeholders. The insight is used to be responsive and improve our ways of doing business, as well as to identify and address issues, being a reliable partner to our Customers, Suppliers, Employees, Shareholders, Nature, Institutions & Municipalities.

To achieve our commitments, it is necessary to have a common view of our most significant sustainability matters including their objectives and targets. This shall be performed through a double materiality assessment (DMA). The results of the DMA shall also cover stakeholder perspective. It will include an assessment of what and how impacts the planet, people, and business, as well as understanding the greatest opportunities and risks in sustainability and how these can be managed and mitigated.

A DMA shall be conducted and/or updated annually by the Sustainability Director, and it shall be reviewed by the Audit Committee and approved by the board of Directors of Bufab.

4. Business responsibility

4.1. Overall ambition and strategy

The overall ambition within the business area is to achieve long-term business sustainability by planning for a stable and profitable progress over time through the application of established best business practice. To get there, Bufab accepts the need to provide professional, competitive, and value-adding services via efficient, effective, and sustainable operations. The purpose of which is to ensure sustained customer demand and long-lasting customer collaborations for our services. The triple bottom line approach is integral within

this, whilst respecting laws, and applying best business practice. This also extends in the way we work with our suppliers.

Bufab takes a holistic view, this implies a life cycle and systems perspective, from source to consumption and end-of-life to its products and services to reduce or eliminate adverse impacts to the environment. This includes initiatives that contribute to the circular economy to reduce, reuse, recycle and or remanufacture of products, materials, and substances. Resource efficiency is an increasingly important part of our daily operations to ensure that energy, water, materials, and transport are optimized.

4.2. Position of principles (business strategy)

Our aim is to:

- Deliver responsible value-added and innovative solutions aligned to customer requirements via sustainable resource efficient processes.
- Duties will be performed ethically and responsibly in accordance with laws, regulations, and business sector practice requirements. Within this actively striving to minimize the consequences of potential disruptions through responsible continuity planning.
- Ethical and responsible financial reporting will be according to local regulatory requirements and to the company's financial policy.
- Information management will be secure, and in accordance with the group IT Policy.
- All operations will comply with the company's Code of Conduct Policy.
- Safeguard sustainable profitable business operating with a triple bottom line approach and in accordance with this policy.

5. Social Responsibility

5.1. Overall ambition and strategy

We are dedicated to fostering a positive impact on society by promoting fair labour practices, ensuring safe and inclusive workplaces, and supporting the wellbeing of our employees and communities. We strive to engage in ethical business practices, contribute to social equity, and uphold human rights in all aspects of our operations. Providing all staff with a safe, secure, fair, non-discriminatory work environment. Treating all employees equally with respect for their Human Rights. Employee development is a priority within this.

Bufab companies shall comply with the UN's Global Compact, the UN Universal Declaration of Human Rights, 17 Sustainable Development Goals, specifically #3 Good health and well-being; #5 Gender equality; #8 Decent work and economic growth; #9 Industry innovation and infrastructure; #12 Responsible consumption and production; #13 Climate action; #16 Peace, justice, and strong institutions; #17 Partnership for the goals. Bufab shall also comply with The ILO's Declaration of Fundamental Principles and Rights at Work (1998) and OECD (Organization for Economic Co-operation and Development) Anti-Bribery Convention. This means focusing on occupational health and safety as well as management and employee development. Bufab fully complies with the Swedish Corporate Governance Code (2020) and local governance codes in the countries in which we operate, including the diversity, health, safety and forced labour principles there stated.

5.2. Position of principles (social strategy)

What does this mean for all Bufab companies within the social area:

- Actively working for well-being of employees in a safe working environment.
- Provide a safe and sound working environment, which has a strong focus on occupational health and safety and a culture of continuous improvement.
- Providing a responsible work-life balance in the working environment which priorities good health and minimizes stress related illnesses.
- A clear vision of working towards mitigating and minimizing health risk in the workplace via effective, continuous risk assessments through continuous management and control.
- Bufab pursues and strives for a fair and equal treatment of all employees regardless of sex, age, sexual orientation, disability, ethnicity, or religion.
- It is the responsibility of all companies to ensure that their workplaces are inclusive and that proactive measures are taken to enhance diversity. This includes implementing policies and practices that promote equal opportunities, fostering a culture of respect and belonging, and actively working to recruit and retain a diverse workforce.
- Making provision for personal yearly appraisal interviews, and professional development through training and other measures to improve competence, for all employees. Our strong culture of continuous improvements also ensures all employees can influence their work and our offerings and delivery.
- Bufab seeks to encourage social progress and to support development in the local communities where we operate.

5.3. Our material social topics

- **Impact:** Our initiatives aim to create a positive social impact by improving workplace conditions, supporting community development, and promoting diversity
- **Risk Management:** We identify and mitigate social risks, such as equal treatment and same opportunities for all, working conditions, workplace discrimination or health and safety hazards, through comprehensive policies and training programs.
- **Opportunity Management:** By promoting a positive social environment, we enhance employee satisfaction and retention, which in turn improves overall business performance.
- **Governance:** The Board of Directors oversees the implementation of social responsibility goals across all companies. Each company is responsible for integrating these goals into their operations.
- **Metrics and Targets:** Key performance indicators (KPIs) are used to monitor progress in areas such as employee diversity, health and safety incidents.

5.4. Bufab key social responsibility

- **Diversity and Inclusion:** We are committed to fostering a diverse and inclusive workplace. This includes implementing policies that promote equality and prevent discrimination.
- **Health and Safety:** Ensuring the health and safety of employees is a top priority. We provide a safe working environment and promote work-life balance.

6. Environmental responsibility

6.1. Overall ambition and strategy

Bufab recognize that society is phasing increasing challenges related to topics such as climate change, biodiversity loss and proliferation of waste and chemicals. The overall ambition within environmental responsibility is to protect the environment by actively trying to reduce our own environmental impact, as well as to reduce the resource utilization – both activities conducted in-house and by suppliers. To achieve this, we aim for improved environmental performance by acting as a green advisor to help clients reduce their environmental impact as well as actively reduce our own environmental impact, i.e., energy usage, carbon emissions from transports and overall resource efficiency.

6.2. Position of principles (environmental responsibility)

Bufab complies with all relevant environmental regulations, including those related to emissions, waste management, and resource use. We ensure that our products and practices meet legal requirements.

What this means for all Bufab companies:

- All companies need to have a local plan of how to reduce carbon emission, energy consumption and how to adapt to a circular economy in accordance with the target above. Annual determination and approval of actions and resources linked to focus areas are reported in the business review with focus on ongoing work and progress monitoring/reporting.
- Bufab should actively endeavour to minimize its environmental impact, and not least, their carbon footprint, chemical impacts, energy consumption and waste generation. Bufab should provide green advisory services and contribute to customers fulfilling their environmental commitments – not least in the energy, carbon, and circularity segment, but also in the waste, water and, when possible, chemical segment.
- Bufab has committed to the Science-based targets to show our dedication to actively work on the environmental challenges in front of us throughout the whole value chain.
- Bufab should conduct structured and proactive internal environmental work. Bufab will work proactively to minimize the environmental impact arising from its own operations – as well as for purchased goods and/or services. All operations should be conducted in a manner satisfying the ISO 14001 and when relevant the ISO 50001 international standard. This will be achieved by:
- Endeavoring to minimize our own environmental impact, not least in terms of CO₂ emissions from transportation and energy consumption, waste management and chemical handling as well as overall resource efficiency (reduce, reuse, recycling).
- Energy efficiency and renewable energy is key to reduce GHG (Greenhouse Gas) emissions. Data collection, analysis, action plans guided by international standards are part of our activities to reduce our footprint.

6.3. Our material environmental topics includes:

Bufab's environmental responsibility is a commitment of the group including all our companies to minimize its negative impact on the environment. Bufab actively works within the Group to ensure that each company has clear sustainability goals that are implemented through the work of the company Board of Directors. On a general level the following environmental impact, risk, and opportunities are addressed:

- **Impact:** Our initiatives focus on reducing carbon emissions, optimizing energy use and minimizing waste.
- **Risk Management:** We identify and mitigate climate-related risks through our SBTi program and Sustainable Supplier Engagement Program, ensuring resilience against environmental challenges.
- **Opportunity Management:** By adopting sustainable practices, we aim to create business opportunities and long-term competitiveness.
- **Governance:** Bufab's Board of Directors oversees the implementation of sustainability goals across all companies. Each company is responsible for integrating these goals into their operations and used value chain.
- **Metrics and Targets:** Key performance indicators (KPIs) are used to monitor progress in areas such as Sustainable Supplier Engagement Program, energy consumption and CO2 emissions.

6.4. Bufab key environmental responsibility areas:

- **Climate Change Mitigation:** We aim to reduce our carbon emissions from our operations (Scope 1 and 2) to zero by 2030 and minimizing emissions in our value chain (Scope 3) by 55%, 2031.
- **Energy Efficiency:** We strive to reduce energy consumption annually and increase the use of renewable energy sources.
- **Circular Economy:** We are committed to optimizing resource use by promoting circular principles and reducing waste.

7. Roles and responsibilities

The CEO, who is also the decision-maker on matters affecting Bufab, bears ultimate responsibility for the company's operations, including Sustainability. The CEO has delegated operational responsibilities to appointed Regional Directors, BU (Business Unit) managers and MD's. To achieve Sustainable Leadership, a Sustainability Director oversees that plans and actions are in place for the group to reach its targets.

Furthermore, as environmental, and social issues are national and sometimes differ between countries, with varying regulations and practices, the responsibility for sustainability work lies with the respective companies. To ensure the necessary co-ordination and control, a Sustainability Program Manager is appointed to report to the Sustainability Director. The Sustainability Program Manager prepares proposals for policies, overall objectives, and principles of sustainability governance for the entire group. The Sustainability Program Manager is also tasked with setting and monitoring the annual indicators and annually, based on a stakeholder and business intelligence perspective, propose specific measures in sustainability for decision in the Group Management team.

To ensure progress in our commitments to reduce our GHG emissions, as well as other areas of Sustainability, for example, resource efficiency and energy management, an appointed Sustainable Sourcing Coordinator works with strategies, roadmaps, action plans and training for the supplier base.

8. Exceptions

There are no exceptions to this policy. Any need for exceptions to this policy must be clearly defined and documented. All exceptions shall be approved by the Board of Directors of Bufab.

9. Monitoring and compliance

Bufab is following up on KPIs within all sustainability areas, which includes reporting on Science Based Target Initiatives (SBTi). These are presented in Bufab's Annual Report. Bufab's Annual Report reports on our global sustainability efforts and provide information that identifies Bufab's development, performance, status, and impact of its operations, which includes reporting on Science Based Target Initiatives (SBTi).

Bufab has sustainability coordinators in each Region to support implementation of sustainability actions and to report quarterly according to ESRS and EU taxonomy including both quantitative and qualitative metrics for each company. This ensures transparency and accountability in achieving sustainability goals, regarding the carbon dioxide equivalent Bufab follow the Greenhouse Gas Protocol and our commitment to Science Based Target initiative. This policy ensures that the metrics that are used to track the effectiveness and actions is managing sustainability impacts

Where concerns relating to irregularities and infringements arise, there is secure reporting process in place that assures confidentiality. This is provided for in the whistle-blower policy and process which is available from the intranet and external website.

Sustainability KPI's:

- Anti-corruption training for our teams every 3 years
- Training in the Code of Conduct every 3 years
- Gender balance of managers in the group by 2030
- Performance appraisals for 100% of the workforce.
- Zero accidents.
- 100% of direct material suppliers have signed a code of conduct.
- Compliance with REACH (Registration, Evaluation, Authorization and Restriction of chemicals) and RoHS (Restriction of Hazardous Substances).
- Net zero emissions for Scope 1 and 2 by 2030.
- 55% reduction in Scope 3 carbon intensity by 2031.
- 70% of our purchases are in the Sustainable Supplier Engagement program by 2025.
- 80% of our purchases are sustainability audited by 2026.
- Recyclability above 90%.
- 20% waste reduction and zero landfill by 2030.
- Evaluation and screening of suppliers of conflict minerals.

10. Bufab Best Practices

Management review ensures that Sustainability is integrated into all processes and operations, covering KPIs (key performance indicators), target setting and continuous improvement.

11. References to associated documents

Apart from this Sustainability Policy, Bufab has several related group wide policy documents, which can be found at SolutioNet / Our Way of working and on our web page Bufab.com. Our policies: Bufab Group Anti-bribery, Bufab Group Code of conduct, Bufab Group Environmental, Bufab Group Finance, Bufab Group Health & Safety, Bufab Group HR, Bufab Group Quality, Bufab Group Supplier Code of Conduct, Bufab Group Sustainable Procurement, Bufab Group Whistle-blower are developed to mitigate and support our double materiality risk's and opportunities and has key actions to be taken, their scope, and the expected outcomes and the time horizons for completing these actions.

- Bufab Group Code of Conduct
- Bufab Group Anti-Bribery policy
- Bufab Group Environmental policy
- Bufab Group Health & Safety policy
- Bufab Group Whistle-blower policy
- Bufab Group Quality policy
- Bufab Group Human Resource policy
- Bufab Group Communication policy
- Bufab Group Modern Slavery policy
- Bufab Group Financial policy and handbook for the subsidiaries
- Bufab Group Financial policy by the Board
- Bufab Group IT policy
- Bufab Group Sustainable Procurement policy
- Bufab Group Supplier Code of Conduct
- Supplier Manual



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Sustainability

12. Log of updates

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